Moody's: Aa2
(see "RATING" herein)

NEW ISSUE—BOOK-ENTRY ONLY

In the opinion of Bond Counsel to the Agency, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the 2014 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), except that no opinion is expressed as to such exclusion of interest on any 2014 Bond for any period during which such 2014 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2014 Bonds or a "related person" and (ii) interest on the 2014 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. Bond Counsel is of the further opinion that, under existing statutes, interest on the 2014 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York). See "TAX MATTERS" herein.

$68,470,000
NEW YORK STATE HOUSING FINANCE AGENCY
Affordable Housing Revenue Bonds,
2014 Series F

Dated: Date of delivery **Due: May 1 and November 1, as shown on the inside cover page**

The 2014 Series F Bonds (the "2014 Series F Bonds" or the "2014 Bonds") are issuable only as fully registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2014 Bonds. Individual purchases will be made in book-entry form, in denominations of $5,000 or integral multiples thereof. So long as Cede & Co. is the registered owner of the 2014 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners (other than under the captions "Tax Matters" and "Continuing Disclosure" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2014 Bonds.

So long as Cede & Co. is the registered owner of the 2014 Bonds, as aforesaid, principal and semi-annual interest (payable May 1 and November 1, commencing May 1, 2015) are payable by **The Bank of New York Mellon, New York, New York, as Trustee,** to Cede & Co., as nominee for DTC, which will, in turn, remit such principal and interest to the DTC Participants for subsequent disbursement to the Beneficial Owners. (See "DESCRIPTION OF THE 2014 BONDS—Book-Entry Only System" herein.)

The 2014 Bonds are subject to redemption prior to maturity as described herein.

The 2014 Bonds are being issued for the purpose of financing Mortgage Loans for the construction or acquisition and rehabilitation of certain multi-family housing projects. Payment of the principal or redemption price of and interest on the 2014 Bonds will be secured by the Revenues, the Funds and Accounts under the General Resolution and the Program Assets, including, without limitation, Mortgage Loans and certain payments to be made under or with respect to the Mortgage Loans. The 2014 Bonds will be secured on a parity with and will be entitled to the same benefit and security as other Bonds (other than Subordinate Bonds) and Parity Obligations issued and to be issued or incurred in the future under the General Resolution, except as described herein.

The 2014 Bonds are special revenue obligations of the New York State Housing Finance Agency and will be payable by the Agency solely from and be secured by the Revenues, the Funds and Accounts and the Program Assets pursuant to the provisions of the General Resolution, as described herein.

The Agency has no taxing power. The 2014 Bonds are not a debt of the State of New York. The State of New York is not liable on the 2014 Bonds and is not under any legal or moral obligation to provide monies to make up any deficiency in any of the Funds or Accounts established by the General Resolution.

The 2014 Bonds are offered when, as and if issued and received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Agency. Certain legal matters related to the 2014 Bonds will be passed upon for the Underwriters by McKenna Long & Aldridge LLP, New York, New York, Counsel to the Underwriters. Certain legal matters related to the 2014 Bonds will be passed upon for the Agency by Bryant Rabbino LLP, Disclosure Counsel to the Agency. It is expected that the 2014 Bonds will be available for delivery in New York, New York on or about November 13, 2014.

Citigroup
BofA Merrill Lynch
Morgan Stanley

J.P. Morgan

Ramirez & Co., Inc.
Loop Capital Markets LLC
RBC Capital Markets

Dated: October 29, 2014

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES

$68,470,000 2014 Series F Bonds

$8,690,000 2014 Series F Serial Bonds

Maturity	Amount	Interest Rate	CUSIP No.[†]
May 1, 2015	$450,000	0.20%	64986U2W6
Nov. 1, 2015	495,000	0.25	64986U3H8
May 1, 2016	500,000	0.45	64986U2X4
Nov. 1, 2016	410,000	0.60	64986U3J4
May 1, 2017	355,000	0.80	64986U2Y2
Nov. 1, 2017	360,000	0.90	64986U3K1
May 1, 2018	360,000	1.15	64986U2Z9
Nov. 1, 2018	360,000	1.25	64986U3L9
May 1, 2019	360,000	1.50	64986U3A3
Nov. 1, 2019	365,000	1.60	64986U3M7
May 1, 2020	370,000	1.85	64986U3B1
Nov. 1, 2020	370,000	1.95	64986U3N5
May 1, 2021	375,000	2.20	64986U3C9
Nov. 1, 2021	375,000	2.30	64986U3P0
May 1, 2022	380,000	2.45	64986U3D7
Nov. 1, 2022	390,000	2.50	64986U3Q8
May 1, 2023	390,000	2.60	64986U3E5
Nov. 1, 2023	390,000	2.65	64986U3R6
May 1, 2024	400,000	2.80	64986U3F2
Nov. 1, 2024	405,000	2.80	64986U3S4
May 1, 2025	410,000	2.90	64986U3G0
Nov. 1, 2025	420,000	2.90	64986U3T2

$59,780,000 2014 Series F Term Bonds

$4,540,000 0.60% 2014 Series F Term Bonds due November 1, 2016 – CUSIP No. 64986U3U9[†]

$4,790,000 0.80% 2014 Series F Term Bonds due May 1, 2017 – CUSIP No. 64986U3V7[†]

$13,500,000 0.90% 2014 Series F Term Bonds due November 1, 2017 – CUSIP No. 64986U3W5[†]

$10,360,000 0.90% 2014 Series F Term Bonds due November 1, 2017 - CUSIP No. 64986U3X3[†]

$ 3,565,000 3.20% 2014 Series F Term Bonds due November 1, 2029 - CUSIP No. 64986U3Y1[†]

$5,175,000 3.50% 2014 Series F Term Bonds due November 1, 2034 - CUSIP No. 64986U3Z8[†]

$6,175,000 3.70% 2014 Series F Term Bonds due November 1, 2039 - CUSIP No. 64986U4A2[†]

$7,415,000 3.80% 2014 Series F Term Bonds due November 1, 2044 - CUSIP No. 64986U4B0[†]

$4,260,000 3.90% 2014 Series F Term Bonds due May 1, 2047 – CUSIP No. 64986U4C8[†]

Price of all Bonds 100%

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by Standard & Poor's. CUSIP numbers have been assigned by an independent company not affiliated with the Agency and are included solely for the convenience of the holders of the 2014 Bonds. The Agency is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2014 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2014 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2014 Bonds.

IN CONNECTION WITH THIS OFFERING OF THE 2014 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2014 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2014 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesperson or any other person has been authorized by the Agency or the Underwriters to give any information or to make any representations, other than those contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor the sale of any of the 2014 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Agency, the Pledged Property, providers of Supplemental Security or the other matters described herein since the date hereof. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TERMS OF THE OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS WHICH, TO THE EXTENT THEY ARE NOT RECITATIONS OF HISTORICAL FACT, CONSTITUTE "FORWARD LOOKING STATEMENTS". IN THIS RESPECT, THE WORDS "ESTIMATE", "PROJECT", "ANTICIPATE", "EXPECT", "INTEND", "BELIEVE" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD LOOKING STATEMENTS. A NUMBER OF IMPORTANT FACTORS AFFECTING THE MORTGAGE LOANS, THE AGENCY, THE MORTGAGORS AND PROVIDERS OF SUPPLEMENTAL SECURITY COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE STATED IN THE FORWARD LOOKING STATEMENTS.

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OFFICIAL STATEMENT

$68,470,000
NEW YORK STATE HOUSING FINANCE AGENCY
Affordable Housing Revenue Bonds,
2014 Series F

INTRODUCTION

Purpose of the Official Statement

The purpose of this Official Statement, including the cover page, the inside cover page and exhibits hereto, is to provide information about the New York State Housing Finance Agency (the "Agency") in connection with the offering by the Agency of $68,470,000 principal amount of its Affordable Housing Revenue Bonds, 2014 Series F (the "2014 Series F Bonds" or the "2014 Bonds").

The following is a brief description of certain information concerning the Agency, its program to finance mortgage loans for multi-family rental housing projects (the "Program"), the 2014 Bonds and all other bonds issued or to be issued under the General Resolution (the "Bonds") and the security therefor. A more complete description of such information and additional information that may affect decisions to invest in the 2014 Bonds is contained throughout this Official Statement, which should be read in its entirety. Certain terms used in this Official Statement are defined in Exhibit A hereto.

The Agency

The Agency was created in 1960 by the New York State Housing Finance Agency Act, Article III of the Private Housing Finance Law of the State of New York, as amended (the "Act") and is a corporate governmental agency, constituting a public benefit corporation. The statutory purposes of the Agency include providing safe and sanitary housing accommodations, at rentals which families and persons of low income can afford, and which the ordinary operations of private enterprise cannot provide. See "THE AGENCY." The Agency utilizes the Program as its primary vehicle to finance Mortgage Loans for low-income multi-family housing throughout the State.

Purpose of the Issue

The proceeds of the 2014 Bonds are expected to be used to finance mortgage loans (the "2014 Mortgage Loans") for the acquisition and rehabilitation or construction of certain Projects. In addition, proceeds of the 2014 Bonds, together with other available monies, are expected to be used to finance costs of issuance and a deposit to the Debt Service Reserve Fund. See "PLAN OF FINANCING."

Authorization of Issuance

The 2014 Bonds are to be issued in accordance with the Act, and pursuant to a resolution entitled "Affordable Housing Revenue Bonds Bond Resolution" adopted by the Agency on August 22, 2007, as amended (the "General Resolution" or the "Resolution") and a supplemental resolution for the 2014 Series F Bonds entitled "Affordable Housing Revenue Bonds, 2014 Series F Resolution" adopted by the Agency on October 9, 2014 (the "2014 Series F Supplemental Resolution"). The General Resolution and the 2014 Series F Supplemental Resolution are referred to herein, collectively, as the "Resolutions."

Under the General Resolution, the Agency is authorized to issue Bonds to finance any of its corporate purposes for which bonds may be issued under the Act, or any other applicable law now or hereafter enacted, including but not limited to financing mortgage loans and/or participation interests therein. As of August 31, 2014, there was $1,174,060,000 principal amount of Outstanding Bonds under the General Resolution and subsequent to August 31, 2014, the Agency issued $55,170,000 principal amount of its Affordable Housing

Revenue Bonds, 2014 Series E (collectively, the "Outstanding Bonds"). The 2014 Bonds will be secured on a parity with such Outstanding Bonds, except as described herein. The Agency may also incur, but, as of the date of this Official Statement, has not incurred, Parity Obligations secured on a parity with the Bonds upon the satisfaction of certain conditions set forth in the General Resolution, including confirmation of the then existing ratings on the Outstanding Bonds (other than Subordinate Bonds) by each of the Rating Agencies then rating such Bonds. The Agency may also issue additional Bonds that are subordinate in right of payment to the Outstanding Bonds and the 2014 Bonds. The Agency expects to issue additional parity Bonds under the General Resolution in the future.

Security for the 2014 Bonds

The 2014 Bonds are special revenue obligations of the Agency and will be payable solely from and be secured by the Revenues, the Funds and Accounts under the General Resolution (including a Debt Service Reserve Fund) and the Program Assets. Program Assets include all of the Mortgage Loans financed with proceeds of Bonds and pledged to secure such Bonds, and Revenues include certain payments under the Mortgage Loans. The General Resolution does not require that the Agency pledge its interests in the assets financed with the proceeds of additional Bonds, or the revenues derived therefrom, to secure the Bonds. Moreover, the Agency may withdraw Mortgage Loans and monies on deposit in certain Funds from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or a Rating Confirmation.

Mortgage Loans (or the mortgage loans underlying a participation interest that is pledged under the General Resolution) generally create, but are not required to create, a first mortgage lien on the applicable Projects. The Mortgage Loans or the Projects financed thereby may, but are not required to, be supported by Supplemental Security insuring or securing against Mortgage Loan default losses. Supplemental Security, if any, may be in the form of, among other things, a mortgage insurance policy, a guaranteed mortgage-backed security, a bank letter of credit, a surety bond or an escrow deposit, any or all of which may be obtained pursuant to one or more Federal, State or local government programs. Currently, the State of New York Mortgage Agency ("SONYMA"), Federal National Mortgage Association ("Fannie Mae") or Federal Home Loan Mortgage Corporation ("Freddie Mac") provide or have committed to provide mortgage insurance for Mortgage Loans following completion of construction or rehabilitation of the related Project. Various banks, Fannie Mae and Freddie Mac provide Supplemental Security for most of the other Mortgage Loans during construction or rehabilitation. In addition, the Projects related to the Mortgage Loans may, but are not required to, be assisted through Federal, State or local subsidy programs, including the Section 236 Program, the Section 8 Program and programs administered by the New York State Office of Mental Health. See "PLAN OF FINANCING," "THE PROGRAM—Mortgage Loans," "–Supplemental Security" and "–Subsidy Programs," "EXHIBIT D—Description of Supplemental Security and Subsidy Programs" and "EXHIBIT G—Projects and Mortgage Loans Outstanding Under The Program."

The Agency has no taxing power. The 2014 Bonds are not a debt of the State of New York. The State of New York is not liable on the 2014 Bonds and is not under any legal or moral obligation to provide monies to make up any deficiency in any of the Funds or Accounts established by the General Resolution. See "SECURITY FOR THE BONDS."

Certain Investment Considerations

The ability of the Agency to pay the principal or redemption price of and interest on the Bonds, including the 2014 Bonds, is dependent on the receipt of sufficient Revenues derived from the Program Assets pledged to secure the Bonds, which consist of all the Mortgage Loans (including the 2014 Mortgage Loans). See "CERTAIN INVESTMENT CONSIDERATIONS" for a discussion of factors that may affect the receipt of Revenues or otherwise affect the ability of the Agency to make payments on the Bonds.

APPLICATION OF 2014 BOND PROCEEDS

The proceeds of sale of the 2014 Bonds will be applied as follows:

Deposit to the Bond Proceeds Account.....	$68,115,000
Deposit to the Debt Service Reserve Fund ...	355,000
Total[1]	$68,470,000

[1] The underwriters' compensation ($410,784.78) and certain costs of issuance will be paid by the 2014 Mortgagors.

PLAN OF FINANCING

General

Upon the issuance of the 2014 Bonds, a portion of the proceeds thereof will be deposited in the Bond Proceeds Account and invested in Investment Obligations pending their application. Such proceeds are expected to be used by the Agency to finance four (4) Mortgage Loans for the construction or acquisition and rehabilitation of four (4) projects (collectively, the "2014 Projects") by four (4) Mortgagors (the "2014 Mortgagors"). Upon the satisfaction of certain conditions including the completion of construction or rehabilitation, the 2014 Mortgage Loans are expected to be converted to permanent 2014 Mortgage Loans and insured by SONYMA Insurance. The aggregate principal amount of the 2014 Mortgage Loans is $68,115,000. See "2014 MORTGAGE LOANS" below.

Debt Service Reserve Fund

Under the terms of the 2014 Series F Supplemental Resolution, the Debt Service Reserve Fund Requirement with respect to the 2014 Bonds shall equal, as of any date of calculation, two months maximum debt service, rounded up or down (as the case may be) to the nearest integral multiple of $5,000, on the 2014 Mortgage Loans after giving effect to the 2014 Mortgage Loan Mandatory Prepayments (shown in the chart below) and taking into account any further reductions in the unpaid principal amount of such 2014 Mortgage Loan as a result of any prepayment thereof. Upon issuance of the 2014 Bonds, the Debt Service Reserve Fund Requirement for the 2014 Bonds shall initially equal $355,000.

2014 Mortgage Loans

2014 Projects

The proceeds of the 2014 Bonds are expected to be used to finance the 2014 Mortgage Loans for the 2014 Projects included in the table below. In addition to the 2014 Mortgage Loans, the 2014 Mortgagors may have arranged for other sources of funds for the construction or acquisition and rehabilitation of their respective 2014 Projects.

2014 Project Name (Construction/ Rehabilitation)	County	Number of Revenue Units/ Occupancy Rate	Amortization Period[1]	Supplemental Security during construction or rehabilitation	Anticipated Supplemental Security after construction or rehabilitation	Subsidy Program	Mortgage Loan Amount during construction or rehabilitation	Mortgage Loan Mandatory Prepayment	Permanent Mortgage Loan Amount
Dorado Apartments (Rehabilitation)	Westchester	188/95%	30 years	Citibank, N.A. LOC[2]	SONYMA[4]	Section 8 Program[5]	$17,355,000	$10,360,000	$6,995,000
La Porte Apartments (Construction)	Westchester	158/N/A	30 years	M&T Bank, LOC[7]	SONYMA[4]	N/A	$30,000,000	$13,500,000	$16,500,000
Spa Apartments (Rehabilitation)	Ontario	109/95%	30 years	Citizens Bank, National Association LOC confirmed by an LOC from Federal Home Loan Bank of Boston[2][3]	SONYMA[4]	Section 236 Program[6]	$8,095,000	$4,540,000	$3,555,000
Stuypark Apartments (Rehabilitation)	Kings	102/95%	30 years	JP Morgan Chase Bank, National Association LOC[2]	SONYMA[4]	Section 236 Program[6]	$12,665,000	$4,790,000	$7,875,000

(1) The amortization period is the number of years from the date of the commencement of amortization of the 2014 Mortgage Loan (approximately the date of completion of construction or rehabilitation) to its maturity date.

(2) For a description of the terms of a letter of credit provided during construction or rehabilitation (a "Construction LOC"), see "Exhibit D—Description of Supplemental Security and Subsidy Programs—Supplemental Security—Letters of Credit."

(3) The Citizens Bank, National Association LOC will be confirmed by the Federal Home Loan Bank of Boston LOC, pursuant to which the Federal Home Loan Bank of Boston will undertake to make payments due from but not made by Citizens Bank, National Association. The Federal Home Loan Bank of Boston LOC will only be drawn upon in the event that Citizens Bank, National Association fails to make a payment under its LOC. The Federal Home Loan Bank of Boston LOC permits multiple draws thereunder and provides for reinstatement of the interest component of such draws.

(4) For a description of SONYMA Insurance, see "Exhibit D—Description of Supplemental Security and Subsidy Programs—Supplemental Security—SONYMA Insurance Program."

(5) For a description of Section 8 Program subsidies, see "Exhibit D—Description of Supplemental Security and Subsidy Programs – Subsidy Programs – Section 8 Program." In some cases, subsidies are provided with respect to only certain units in a Project.

(6) For a description of the Section 236 Program, see "Exhibit D—Description of Supplemental Security and Subsidy Programs—Subsidy Programs—Section 236 Program."

(7) Manufactures and Traders Trust Company.

Dorado Apartments Project

The Dorado Apartments Project involves the acquisition and rehabilitation of 189 units of existing Mitchell-Lama* multifamily affordable housing located at 160 Warburton Avenue, in the City of Yonkers, Westchester County. It is expected that 87% of the revenue generating units, or approximately 164 units, will be set aside for households whose incomes are at or below 60% of the area median income adjusted for family size ("AMI"). Rehabilitation of the Dorado Apartments Project is expected to be completed within 36 months.

The 2014 Mortgagor will be Dorado Preservation Associates LLC, a single purpose New York limited liability company. The managing member of the 2014 Mortgagor is expected to be Dorado Preservation MM LLC. The managing members of Dorado Preservation MM LLC will be Beacon Communities Corp. ("BCC") and H&S Dorado MM LLC ("H&S"). BCC has developed over 7,000 residential units and currently has a portfolio of over 12,000 units. The principals of H&S have developed over 4,000 affordable housing units. They currently own 5 apartment buildings in Westchester and a number of commercial properties and condominium units in New York and Connecticut. Beacon Residential Management Limited Partnership (d/b/a BR Management) ("BRM") will be the property manager for the Dorado Apartments Project. BRM manages approximately 9,350 units of housing in Massachusetts, Rhode Island, Virginia, Maryland, Connecticut, and Pennsylvania, including approximately 8,000 affordable housing units.

LaPorte Apartments Project

The LaPorte Apartments Project consists of the new construction of a fourteen (14) story building containing one hundred fifty nine (159) units of affordable housing located at 203 Gramatan Avenue in the City of Mt. Vernon, Westchester County. It's expected that one hundred fifty eight (158) revenue generating units will be set aside for households whose incomes are at or below 60% of AMI. Construction of the LaPorte Apartments Project is expected to be completed within 36 months.

The 2014 Mortgagor will be Blue Rio LLC, a single purpose limited liability company. The Managing Member of the 2014 Mortgagor will be Blue Rio Kenwood, LLC, a single purpose limited liability company, which is controlled by Peter Fine, a principal of Atlantic Development Group, LLC ("Atlantic"). In the past 15 years, Atlantic developed 6,500 rental housing units, a majority of which are affordable.

Spa Apartments Project

The Spa Apartments Project involves the acquisition and rehabilitation of a six (6) story building containing one hundred nine (109) units located in the Village of Clifton Springs, Town of Manchester, Ontario County. Ninety percent of the 109 units (98 units) will be set aside for households whose incomes are at or below 60% of AMI. Rehabilitation of the Spa Apartments Project is expected to be completed within 24 months.

The 2014 Mortgagor will be Spa Apartments LLC, a single purpose limited liability company. The managing member of the 2014 Mortgagor will be Spa Apartments Managing Member LLC, whose members are Spa Genesis Housing LLC and Cornerstone Development Properties LLC. Spa Genesis Housing LLC has co-developed six other projects in New York. Rochester's Cornerstone Group, Ltd ("RCG") is the sponsor and parent company of Cornerstone Development Properties LLC. RCG has developed, owned and managed affordable housing for 24 years and has developed over 1,200 units of affordable housing in the greater Rochester area. The managing agent will be Cornerstone Property Managers LLC ("Cornerstone Management"), an affiliate of the Sponsor. Cornerstone Management currently manages over 350 units of affordable housing.

* The Mitchell-Lama program was created to facilitate the construction and continued operation of affordable moderate and middle income rental and cooperative housing in the State. Projects developed under the Mitchell-Lama program may be eligible for exemptions from certain local and municipal taxes and rent levels for units at such projects and income levels of tenants of such units may be subject to certain approvals and limitations.

Stuypark Apartments Project

The Stuypark Apartments Project involves the acquisition and rehabilitation of an eleven (11) story building containing 102 revenue generating units located at 77 New York Avenue in the Crown Heights neighborhood of Brooklyn, Kings County. It is expected that eighty-seven (87) of the revenue generating units will be set aside for households whose incomes are at or below 60% of AMI. Rehabilitation of the Stuypark Apartments Project is expected to be completed within 30 months.

The 2014 Mortgagor will be Stuy Park 2014 L.P. The 2014 Mortgagor will have two partners: StuyPark 2014 LLC, which will serve as the General Partner, and Wincopin Circle LLLP, an affiliate of Enterprise Community Partners, Inc. The General Partner will have two members, each with a 50% interest: CBE StuyPark LLC and StuyPark Housing Company, Inc. the majority of which are in the New York City metropolitan area. CBE StuyPark LLC has participated in the development of over 1,000 units of affordable housing. Shinda Management, who will act as the property agent, oversees a portfolio of more than 6,000 units in New York City and New Jersey.

2014 Mortgagors

Each of the 2014 Mortgagors is a single-purpose for-profit entity formed for the purpose of acquiring, constructing or rehabilitating and operating the applicable 2014 Project. As such, the 2014 Mortgagors have not previously engaged in any other business operations, do not intend to engage in any other business operations, have no historical earnings and have no assets other than their interest in the 2014 Projects, as applicable. Accordingly, it is expected that no Mortgagor will have sources of funds other than revenues generated by the applicable 2014 Project to make payments of its 2014 Mortgage Loan following completion of construction or rehabilitation, as the case may be.

2014 Mortgage Terms

Each of the 2014 Mortgage Loans will be evidenced by a mortgage note payable to the Agency and secured by a first mortgage lien on the applicable 2014 Project. The 2014 Mortgage Loans are each expected to contain provisions prohibiting the applicable 2014 Mortgagor from making any mortgage prepayments (other than 2014 Mortgage Loan Mandatory Prepayments) prior to approximately ten (10) years after the closing of the applicable 2014 Mortgage Loan. See "DESCRIPTION OF THE 2014 BONDS—Redemption Provisions for the 2014 Bonds—Special Redemption from Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds and SONYMA Reduction Payments—Mortgage Advance Amortization Payments and Voluntary Sale Proceeds." After the completion of construction, or rehabilitation, as the case may be, the interest rate (exclusive of servicing and credit enhancement fees) for each 2014 Mortgage Loan is expected to be 4.75%. Each 2014 Mortgagor has entered into a Regulatory Agreement with the Agency (a "Regulatory Agreement") that requires a certain number of units in the applicable 2014 Project to be occupied by households whose incomes are at or below a specified percentage of AMI.

2014 Mortgage Loan Mandatory Prepayments. Each of the 2014 Mortgagors will be required to make a 2014 Mortgage Loan Mandatory Prepayment (the "2014 Mortgage Loan Mandatory Prepayments"), as shown in the table under the subheading "2014 Projects" above upon completion of the construction or rehabilitation, as the case may be, of the applicable 2014 Project. Said prepayments are expected to be used to redeem prior to maturity or pay at maturity the applicable portion of the 2014 Bonds maturing on May 1, 2017 identified by CUSIP Number 64986U3V7 (and identified as Term Bonds on the inside cover page hereof), the 2014 Bonds maturing on November 1, 2017 identified by CUSIP Number 64986U3W5 (and identified as Term Bonds on the inside cover page hereof), the 2014 Bonds maturing on November 1, 2016 identified by CUSIP Number 64986U3U9 (and identified as Term Bonds on the inside cover page hereof) and the 2014 Bonds maturing on November 1, 2017 identified by CUSIP Number 64986U3X3 (and identified as Term Bonds on the inside cover page hereof). See "DESCRIPTION OF THE 2014 BONDS—Redemption Provisions for the 2014 Bonds—Special Redemption from 2014 Mortgage Loan Mandatory Prepayments." Although a significant source of funds for such 2014 Mortgage Loan Mandatory Prepayments may come from the sale of Federal low income housing tax credits ("Tax Credits") and other funding sources, the 2014

Mortgage Loan Mandatory Prepayments are required to be made by each of the 2014 Mortgagors whether or not the proceeds from the sale of such Tax Credits or other sources are available in a sufficient amount. Failure by a 2014 Mortgagor to make the required 2014 Mortgage Loan Mandatory Prepayment will be a default under the applicable 2014 Mortgage Loan.

Supplemental Security

General. **Each 2014 Mortgage Loan will be supported by Supplemental Security, as shown in the table above, including Construction LOCs and/or SONYMA Insurance.** The Construction LOCs and SONYMA Insurance are not Credit Facilities under the General Resolution and need not meet the requirements under the Resolution for a Credit Facility. The Construction LOCs and SONYMA Insurance will not be pledged to the Holders of the Bonds; however, any payments received by the Agency pursuant to the Construction LOCs or SONYMA Insurance will be pledged for the benefit of the Holders of the 2014 Bonds.

2014 Mortgage Loans and Construction LOCs. **Each 2014 Mortgage Loan will be secured by a Construction LOC until completion of construction or rehabilitation, as the case may be, and conversion to permanent financing.** The applicable Construction LOC supporting a 2014 Mortgage Loan will not terminate prior to the scheduled payment date of the applicable 2014 Mortgage Loan Mandatory Prepayment for the applicable 2014 Project.

The Construction LOCs will be drawn upon by the Agency to make the required mortgage payments on the applicable 2014 Mortgage Loan.

If the applicable 2014 Mortgagor fails to reimburse the provider of the Construction LOC for the amount drawn, the provider may, immediately or at any time thereafter, direct the Agency to draw on the Construction LOC in an amount equal to the outstanding principal balance of the applicable 2014 Mortgage Loan plus accrued interest for up to 60 days. Upon such draw, such 2014 Mortgage Loan will be immediately assigned to the provider of the Construction LOC and no longer be pledged for the benefit of the Holders of the Bonds and will be free and clear of the pledge and lien of the Resolution. The proceeds of such draw may be used to redeem a portion of the Outstanding 2014 Bonds in an amount equal to the outstanding amount of such 2014 Mortgage Loan. See "DESCRIPTION OF THE 2014 BONDS—Redemption Provisions for the 2014 Bonds—Special Redemption from Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds and SONYMA Reduction Payments."

2014 Mortgage Loans and SONYMA Insurance. **Each of the 2014 Mortgage Loans will be secured by SONYMA Insurance following the satisfaction of the conditions of the applicable SONYMA Commitment. If there is a reduction in the amount of SONYMA Insurance for a 2014 Project, the applicable 2014 Mortgagor must prepay a portion of its 2014 Mortgage Loan equal to the reduction and such prepayment may be used to redeem 2014 Bonds.**

Each SONYMA Commitment for the 2014 Mortgage Loans includes certain requirements that need to be satisfied in order for such 2014 Mortgage Loan to be converted from a "construction loan" to a "permanent loan." Each SONYMA Commitment requires, among other things, the making of the applicable 2014 Mortgage Loan Mandatory Prepayment, the provision by the applicable 2014 Mortgagor of equity, the satisfactory completion of construction or rehabilitation, the issuance of a certificate of occupancy or such other evidence of satisfactory completion of construction or rehabilitation and the attainment of a specified minimum rental achievement level. Upon the effectiveness of the SONYMA Insurance for the applicable 2014 Mortgage Loan, the Agency will release the applicable Construction LOC issued in connection with such 2014 Mortgage Loan.

Under certain circumstances, the applicable 2014 Mortgagor may prepay a portion of its 2014 Mortgage Loan in order to satisfy such conditions and such prepayment may be used to redeem the portion of the 2014 Bonds allocable to the applicable 2014 Project. A prepayment of a 2014 Mortgage Loan to satisfy the conditions to convert to a "permanent loan" is referred to as a "SONYMA Reduction Payment." See "DESCRIPTION OF THE 2014 BONDS—Redemption Provisions for the 2014 Bonds—Special Redemption

from Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds and SONYMA Reduction Payments—Reduction in Amount of SONYMA Insurance."

If the Agency files a claim for loss with SONYMA, SONYMA has the option of either making periodic mortgage repayments or a lump sum payment.

A lump sum payment under the SONYMA Insurance is an amount equal to the sum of the principal outstanding and interest accrued on the applicable Mortgage Loan from the date of a covered default to the date that is up to 60 days from the payment of the claim. Periodic payments are to be made monthly. In addition, if SONYMA has chosen initially to make periodic payments it may nevertheless exercise its option to make a lump sum payment in the full amount of its then outstanding obligation under the SONYMA Insurance at any time. Upon a lump sum payment by SONYMA, the Agency shall assign the Mortgage to SONYMA free and clear of the pledge and lien of the General Resolution. Pursuant to the General Resolution, a lump sum payment received from SONYMA constitutes a Recovery Payment and may be applied to the redemption of the applicable portion of the 2014 Bonds. See "DESCRIPTION OF THE 2014 BONDS—Redemption Provisions for the 2014 Bonds—Special Redemption from Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds and SONYMA Reduction Payments." See "EXHIBIT D—Description of Supplemental Security and Subsidy Programs—SONYMA Insurance Program." SONYMA's role is limited to providing the coverage set forth in the SONYMA Insurance.

DESCRIPTION OF THE 2014 BONDS

General

The 2014 Bonds will mature on the dates and in the amounts set forth on the inside cover page of this Official Statement. The Bank of New York Mellon is the Trustee for the Bonds, including the 2014 Bonds.

The 2014 Bonds will be dated the date of delivery thereof and will be issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof. Interest on the 2014 Bonds will be payable on May 1 and November 1 in each year, commencing May 1, 2015, at the rates per annum set forth on the inside cover page of this Official Statement. Interest on the 2014 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Redemption Provisions for the 2014 Bonds

The 2014 Bonds are subject to special redemption, sinking fund redemption and optional redemption prior to maturity, all as described below.

Special Redemption from Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds and SONYMA Reduction Payments

Recovery Payments. The 2014 Bonds are subject to redemption, in whole or in part, at any time prior to maturity at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing: (a) monies received by the Agency with respect to a 2014 Project from (i) proceedings taken by the Agency in the event of the default by a 2014 Mortgagor, including the sale, assignment or other disposition of a 2014 Mortgage Loan or a 2014 Project or the proceeds of any mortgage insurance or credit enhancement with respect to a Mortgage Loan which is, in the sole judgment of the Agency, in default or (ii) the condemnation of a 2014 Project or any part thereof or from hazard insurance proceeds payable with respect to the damage or destruction of a 2014 Project and that are not applied to the repair or reconstruction of such 2014 Project and (b) any other monies made available under the General Resolution in connection with the redemptions described in clause (a) above. See also "PLAN OF FINANCING—2014 Mortgage Loans."

Mortgage Advance Amortization Payments and Voluntary Sale Proceeds. The 2014 Bonds are subject to redemption at any time prior to maturity on or after May 1, 2024, in whole or in part (by lot within a

maturity of 2014 Bonds of the same initial CUSIP number), at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts deposited in the Redemption Account and resulting from (a) prepayments made by a 2014 Mortgagor with respect to a 2014 Project in full or partial satisfaction of its 2014 Mortgage Loan in advance of the due date or dates thereof in accordance with the provisions of the applicable 2014 Mortgage Loan (other than a SONYMA Reduction Payment or a 2014 Mortgage Loan Mandatory Prepayment) as described below ("Mortgage Advance Amortization Payments"), which prepayments may be derived from proceeds of a new series of bonds issued by the Agency, (b) proceeds of the sale, assignment or other disposition of a 2014 Mortgage Loan (other than a sale, assignment or other disposition made when, in the sole judgment of the Agency, such 2014 Mortgage Loan is in default as described in the preceding paragraph) ("Voluntary Sale Proceeds") or (c) any other monies made available under the General Resolution in connection with the redemptions described in clauses (a) and (b) above.

Reduction in Amount of SONYMA Insurance. The 2014 Bonds are subject to redemption, in whole or in part, at any time prior to maturity at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing: (a) a SONYMA Reduction Payment made by a 2014 Mortgagor with respect to a 2014 Project or (b) any other monies made available under the General Resolution in connection with the redemption described in clause (a) above. See also "PLAN OF FINANCING—2014 Mortgage Loans" and "—Supplemental Security."

Redemption with Payments Relating to Other Mortgage Loans; Redemption of Other Bonds with Payments Relating to 2014 Mortgage Loans

Notwithstanding anything to the contrary contained in the Resolutions, except as otherwise provided in a Supplemental Resolution authorizing a Series of Bonds, the 2014 Bonds may also be redeemed in accordance with the respective redemption provisions described above in connection with Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds or SONYMA Reduction Payments deposited in the Redemption Account derived from or with respect to any Mortgage Loans or Projects financed in connection with a Series of Bonds other than the 2014 Bonds at the direction of the Agency accompanied by a Cash Flow Statement or Rating Confirmation.

As provided in the Resolutions, the Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds or SONYMA Reduction Payments relating to a 2014 Mortgage Loan will be deposited in the Redemption Account and applied to the redemption of the 2014 Bonds unless the Agency files written instructions with the Trustee, accompanied by a Cash Flow Statement or Rating Confirmation, directing that all or any portion of such amounts be applied to the redemption of Bonds of other Series or deposited in the Bond Proceeds Account or the Revenue Fund. See "SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates" and "Exhibit B—Summary of Certain Provisions of the General Resolution."

Most Supplemental Resolutions authorizing the other Series of Bonds currently Outstanding provide that (i) Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds or SONYMA Reduction Payments derived from or with respect to any Mortgage Loans or Projects financed in connection with such Series of Bonds may be applied to the redemption of any Series of Bonds (including the 2014 Bonds) and (ii) Recovery Payments, Mortgage Advance Amortization Payments, Voluntary Sale Proceeds or SONYMA Reduction Payments relating to any Mortgage Loans (including the 2014 Mortgage Loans) may be applied to the redemption of such other Series of Bonds, in either case at the direction of the Agency accompanied by a Cash Flow Statement or Rating Confirmation.

Special Redemption from 2014 Mortgage Loan Mandatory Prepayments

The 2014 Bonds maturing on November 1, 2017 identified by CUSIP Number 64986U3X3 (and identified as Term Bonds on the inside cover page hereof) are subject to redemption, in whole or in part by lot, at any time prior to maturity on or after May 1, 2016 at a Redemption Price equal to one hundred percent

(100%) of the principal amount of such 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, as a result of the 2014 Mortgage Loan Mandatory Prepayment for the Dorado Apartments Project. See "PLAN OF FINANCING—2014 Mortgage Loans" for the amount of the 2014 Mortgage Loan Mandatory Prepayment for the Dorado Apartments Project.

The 2014 Bonds maturing on November 1, 2017 identified by CUSIP Number 64986U3W5 (and identified as Term Bonds on the inside cover page hereof) are subject to redemption, in whole or in part by lot, at any time prior to maturity on or after May 1, 2017 at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, as a result of the 2014 Mortgage Loan Mandatory Prepayment for the LaPorte Apartments Project. See "PLAN OF FINANCING—2014 Mortgage Loans" for the amount of the 2014 Mortgage Loan Mandatory Prepayment for the LaPorte Apartments Project.

The 2014 Bonds maturing on November 1, 2016 identified by CUSIP Number 64986U3U9 (and identified as Term Bonds on the inside cover page hereof) are subject to redemption, in whole or in part by lot, at any time prior to maturity on or after January 1, 2016 at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, as a result of the 2014 Mortgage Loan Mandatory Prepayment for the Spa Apartments Project. See "PLAN OF FINANCING—2014 Mortgage Loans" for the amount of the 2014 Mortgage Loan Mandatory Prepayment for the Spa Apartments Project.

The 2014 Bonds maturing on May 1, 2017 identified by CUSIP Number 64986U3V7 (and identified as Term Bonds on the inside cover page hereof) are subject to redemption, in whole or in part by lot, at any time prior to maturity on or after January 1, 2016 at a Redemption Price equal to one hundred percent (100%) of the principal amount of such 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, as a result of the 2014 Mortgage Loan Mandatory Prepayment for the Stuy Park Project. See "PLAN OF FINANCING—2014 Mortgage Loans" for the amount of the 2014 Mortgage Loan Mandatory Prepayment for the StuyPark Apartments Project.

Special Redemption from Unexpended 2014 Bond Proceeds

The 2014 Bonds are subject to redemption, at the option of the Agency, in whole or in part, at any time prior to maturity, at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, in an amount not in excess of amounts on deposit in the Bond Proceeds Account and/or the Construction Financing Account representing unexpended proceeds of the 2014 Bonds not used to finance the 2014 Mortgage Loans and any other monies made available under the General Resolution in connection with such redemption.

Special Redemption from Proceeds of Draw on Federal Home Loan Bank of Boston Letter of Credit

The 2014 Bonds are subject to redemption, in whole or in part, at any time prior to maturity at a Redemption Price equal to one hundred percent (100%) of the principal amount of the 2014 Bonds or portions thereof to be so redeemed, plus accrued interest to the Redemption Date, from amounts representing: (a) monies received by the Agency from a draw of the full amount remaining to be drawn on the Federal Home Loan Bank of Boston letter of credit in connection with the 2014 Mortgage Loan for the Spa Apartments Project (the "Federal Home Loan Bank of Boston Letter of Credit") and (b) any other monies made available under the General Resolution in connection with the redemptions described in clause (a) above.

Sinking Fund Redemption for the 2014 Bonds

The 2014 Bonds maturing on November 1, 2029, November 1, 2034, November 1, 2039, November 1, 2044 and May 1, 2047 (the "2014 Term Bonds") are subject to redemption prior to maturity through Sinking Fund Payments established by the 2014 Supplemental Resolution on the dates set forth below and in the respective principal amounts set forth opposite each such date (the particular 2014 Term Bonds or portions thereof are to be selected by the Trustee as provided in the General Resolution), in each case at a Redemption

Price of 100% of the principal amount of the 2014 Term Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption:

2014 TERM BONDS MATURING ON NOVEMBER 1, 2029

Redemption Date	Principal Amount	Redemption Date	Principal Amount
May 1, 2026	$420,000	May 1, 2028	$450,000
November 1, 2026	430,000	November 1, 2028	455,000
May 1, 2027	435,000	May 1, 2029	465,000
November 1, 2027	440,000	November 1, 2029†	470,000

† Stated Maturity.

2014 TERM BONDS MATURING ON NOVEMBER 1, 2034

Redemption Date	Principal Amount	Redemption Date	Principal Amount
May 1, 2030	$475,000	November 1, 2032	$520,000
November 1, 2030	490,000	May 1, 2033	530,000
May 1, 2031	495,000	November 1, 2033	540,000
November 1, 2031	500,000	May 1, 2034	550,000
May 1, 2032	515,000	November 1, 2034†	560,000

† Stated Maturity.

2014 TERM BONDS MATURING ON NOVEMBER 1, 2039

Redemption Date	Principal Amount	Redemption Date	Principal Amount
May 1, 2035	$565,000	November 1, 2037	$625,000
November 1, 2035	580,000	May 1, 2038	630,000
May 1, 2036	590,000	November 1, 2038	645,000
November 1, 2036	600,000	May 1, 2039	660,000
May 1, 2037	610,000	November 1, 2039†	670,000

† Stated Maturity.

2014 TERM BONDS MATURING ON NOVEMBER 1, 2044

Redemption Date	Principal Amount	Redemption Date	Principal Amount
May 1, 2040	$680,000	November 1, 2042	$745,000
November 1, 2040	695,000	May 1, 2043	765,000
May 1, 2041	705,000	November 1, 2043	775,000
November 1, 2041	720,000	May 1, 2044	790,000
May 1, 2042	735,000	November 1, 2044†	805,000

† Stated Maturity.

2014 TERM BONDS MATURING ON MAY 1, 2047

Redemption Date	Principal Amount	Redemption Date	Principal Amount
May 1, 2045	$820,000	November 1, 2046	$870,000
November 1, 2045	835,000	May 1, 2047†	885,000
May 1, 2046	850,000		

† Stated Maturity.

The amounts accumulated for each redemption of 2014 Bonds through Sinking Fund Payments may be applied by the Trustee at any time during the twelve month period preceding the applicable Redemption Date, at the direction of the Agency, prior to the forty-fifth (45^{th}) day preceding the Redemption Date, to the purchase of the 2014 Bonds to be redeemed, at prices (including any brokerage and other charges) not exceeding the applicable Redemption Price, plus accrued interest to the date of purchase. An amount equal to the principal amount of the 2014 Bonds so purchased shall be credited toward the next Sinking Fund Payment thereafter to become due with respect to the 2014 Bonds of such maturity of the same initial CUSIP number and the amount of any excess of the amounts so credited over the amount of such Sinking Fund Payment shall be credited by the Trustee against future Sinking Fund Payments in direct chronological order, unless otherwise instructed in writing by an Authorized Officer at the time of such purchase or redemption.

Upon the purchase or redemption of any 2014 Bonds for which Sinking Fund Payments shall have been established, other than by application of Sinking Fund Payments or as described in the preceding paragraph, an amount equal to the principal amount of the 2014 Bonds so purchased or redeemed shall be credited by the Trustee against future Sinking Fund Payments as directed by the Agency or, in the absence of such direction, in the manner described in "Selection of Bonds to be Redeemed" below.

Optional Redemption

The 2014 Bonds are subject to redemption at any time prior to maturity on and after May 1, 2024, at the option of the Agency, in whole or in part (by lot within a maturity of 2014 Bonds of the same initial CUSIP number), at a Redemption Price of 100% of the principal amount of such 2014 Bonds or portions thereof to be redeemed, plus accrued interest to the date of redemption.

Selection of Bonds to be Redeemed

In the event of a partial redemption of a Series of Bonds in connection with Recovery Payments, Mortgage Advance Amortization Payments or Voluntary Sale Proceeds or from proceeds of a draw on the Federal Home Loan Bank of Boston Letter of Credit, the maturity or maturities and initial CUSIP number(s) of the Bonds to be so redeemed, and the amount thereof to be so redeemed, will be selected as directed by the Agency in written instructions filed with the Trustee accompanied by a Cash Flow Statement or Rating Confirmation. In the absence of such direction, (i) 2014 Bonds will be redeemed in connection with Recovery Payments, Mortgage Advance Amortization Payments or Voluntary Sale Proceeds derived from or with respect to the 2014 Mortgage Loans or from proceeds of a draw on the Federal Home Loan Bank of Boston Letter of Credit and (ii) the portion of each maturity or Sinking Fund Payment of such 2014 Bonds to be redeemed or credited will be determined based on the amount of such maturity or Sinking Fund Payment that is allocable to the 2014 Mortgage Loan being paid or sold or for which the Federal Home Loan Bank of Boston Letter of Credit provides Supplemental Security, and, in the case of a payment of a portion of such 2014 Mortgage Loan, that percentage of such 2014 Mortgage Loan that is being paid or sold.

In the event of a partial redemption of a Series of Bonds in connection with an optional redemption, the maturity or maturities and initial CUSIP number(s) of the Bonds to be so redeemed, and the amount thereof to be so redeemed, will be selected as directed by the Agency in written instructions filed with the Trustee provided that the maturities and amounts so selected will not have an adverse effect on the ability of the Agency to pay the principal amount of Bonds remaining Outstanding.

In the event of redemption of less than all of a Series of Bonds of the same maturity and initial CUSIP number, the Trustee will select the Bonds of such maturity and initial CUSIP number to be redeemed by lot, using such method of selection as it deems proper in its sole discretion.

Notice of Redemption

When the Trustee receives notice from the Agency of its option to redeem 2014 Bonds, or is otherwise required to redeem 2014 Bonds, the Trustee will give notice, in the name of the Agency, of the redemption of such 2014 Bonds. Such notice will specify the maturities and CUSIP numbers of the 2014 Bonds to be

redeemed, the date of redemption, any conditions precedent to such redemption and the place or places where amounts due upon such redemption will be payable. Not less than twenty (20) days before the date of redemption for the 2014 Bonds, or, in the case of a redemption as a result of a Mortgage Loan Mandatory Prepayment, not less than one (1) day before the date of redemption for the 2014 Bonds, the Trustee is to mail a copy of such notice, postage prepaid, to the registered Holders of any 2014 Bonds which are to be redeemed at their last addresses appearing upon the registry books. Failure of a Holder to receive such notice or any defect in such notice to the Holders of any 2014 Bonds to be redeemed will not affect the validity of such proceedings for redemption of such 2014 Bonds or portions thereof for which proper notice of redemption was mailed as set forth above. Interest will cease to accrue and be payable on any 2014 Bonds after the date of redemption if notice has been given and if sufficient monies have been deposited with the Trustee to pay the principal or applicable Redemption Price of and interest on such 2014 Bonds on such date and all conditions precedent, if any, to such redemption will have been satisfied. If any conditions precedent to such redemption are not met, the redemption will be deemed to be cancelled and will have no effect.

Purchase in Lieu of Redemption; Notice of Purchase in Lieu of Redemption

The 2014 Bonds are also subject to purchase in lieu of redemption at a price of 100% of the principal amount of the 2014 Bonds or portions thereof to be purchased (the "Purchase Price") plus accrued interest to the date of purchase (the "Purchase Date") at any time that the 2014 Bonds are subject to redemption and in principal amounts not exceeding the principal amount of 2014 Bonds then subject to redemption. If not all of the 2014 Bonds are to be purchased, the 2014 Bonds to be purchased will be selected in the same manner as if such 2014 Bonds were being redeemed.

When the Trustee receives notice from the Agency of its election or direction to purchase 2014 Bonds in lieu of redemption, the Trustee will give notice, in the name of the Agency, of the purchase of such 2014 Bonds. Such notice will specify the maturities and CUSIP numbers of the 2014 Bonds to be purchased, the Purchase Date, any conditions precedent to such purchase and the place or places where amounts due upon such purchase will be payable. Not less than twenty (20) days before the Purchase Date for the 2014 Bonds, the Trustee is to mail a copy of such notice, postage prepaid, to the registered Holders of any 2014 Bonds or portions of Bonds which are to be purchased at their last addresses appearing upon the registry books. The 2014 Bonds to be purchased are required to be tendered on the Purchase Date to the Trustee. 2014 Bonds to be purchased that are not so tendered will be deemed to have been properly tendered for purchase. If the 2014 Bonds are called for purchase in lieu of redemption, such purchase will not extinguish the indebtedness of the Agency evidenced thereby or modify the terms of the 2014 Bonds. Such 2014 Bonds need not be cancelled, and will remain Outstanding under the General Resolution and continue to bear interest, except as set forth below.

The Agency's obligation to purchase or cause a 2014 Bond to be purchased is conditioned upon the availability of sufficient money to pay the Purchase Price plus accrued interest to the Purchase Date for all of the 2014 Bonds to be purchased on the Purchase Date. If sufficient money is available on the Purchase Date to pay the Purchase Price plus accrued interest to the Purchase Date of the 2014 Bonds to be purchased, the former registered owners of such 2014 Bonds will have no claim thereunder or under the General Resolution or otherwise for payment of any amount other than the Purchase Price plus accrued interest to the Purchase Date. If sufficient money is not available on the Purchase Date for payment of the Purchase Price plus accrued interest to the Purchase Date, the 2014 Bonds tendered or deemed tendered for purchase will continue to be registered in the name of the registered owners on the Purchase Date, who will be entitled to the payment of the principal of and interest on such 2014 Bonds in accordance with their respective terms.

Agency's Right to Purchase Bonds

The Agency retains the right to purchase any 2014 Bonds, at such times, in such amounts and at such prices as the Agency determines, subject to the provisions of the General Resolution, and, thereby, reduce its obligations, including Sinking Fund Payments, for such 2014 Bonds. See "SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates."

Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2014 Bonds. The 2014 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2014 Bond Certificate will be issued for all 2014 Bonds of like maturity, interest rate and initial CUSIP number, totaling in the aggregate the principal amount of such 2014 Bonds, and will be deposited with DTC. See "EXHIBIT C—Book-Entry Only System" for a discussion of DTC and the book-entry only system.

SECURITY FOR THE BONDS

Pledge of the General Resolution

The General Resolution constitutes a contract among the Agency, the Trustee and the Holders of the Bonds issued thereunder and, except as otherwise provided under the General Resolution or in a Supplemental Resolution authorizing a Series of Bonds, its provisions are for the equal benefit, protection and security of the Holders of all such Bonds, each of which, regardless of maturity, is to be of equal rank without preference, priority or distinction. The General Resolution authorizes the issuance of Bonds having a charge and lien on the Revenues, the Funds and Accounts under the General Resolution and the Program Assets, subordinate to the charge and lien of the Bonds (the "Subordinate Bonds"). Prior to the issuance of any Bonds, the General Resolution requires that the Trustee be provided with confirmation of the then existing ratings on the Bonds (other than Subordinate Bonds) by each of the Rating Agencies then rating such Bonds. See "—Additional Bonds" below.

The Bonds are special revenue obligations of the Agency payable solely from the Revenues, the Funds and Accounts under the General Resolution and the Program Assets, including, without limitation, the Mortgage Loans and certain payments to be made under or with respect to the Mortgage Loans.

Payment of the principal or Redemption Price of and interest on all Bonds is secured by a pledge of Revenues, which consist of, among other things, unless otherwise provided in a Supplemental Resolution authorizing a Series of Bonds, all payments received by the Agency from or on account of the Mortgage Loans, including scheduled, delinquent and advance payments of principal of and interest on the Mortgage Loans, proceeds from the sale, assignment or other disposition of the Mortgage Loans, amounts received from proceedings taken by the Agency in the event of the default of a Mortgagor, proceeds of any Supplemental Security with respect to defaulted Mortgage Loans, proceeds of any hazard insurance or condemnation award, and income derived from the investment of funds held by the Trustee in Funds and Accounts established under or pursuant to the General Resolution. Revenues do not, however, include amounts required to be deposited in the Rebate Fund, escrow payments, late charges or administrative, financing, extension, servicing or settlement fees on Mortgage Loans. Payment of the Bonds is also secured by a pledge by the Agency of the Mortgages and Mortgage Notes securing the Mortgage Loans and, except as otherwise provided in any Supplemental Resolution authorizing a particular Series of Bonds, of all Funds and Accounts established pursuant to the General Resolution (including the investments thereof, if any). Under the General Resolution, the Agency is not required to subject to the pledge and lien of the General Resolution assets, including mortgage loans, financed by Bonds issued thereunder. In addition, under the General Resolution the Agency may pledge Funds and Accounts created pursuant to a Supplemental Resolution authorizing a particular Series of Bonds solely to the Bonds of such Series or exclude such Funds and Accounts from the pledge of the General Resolution.

The Rebate Fund and amounts on deposit in the Rebate Fund are excluded from the pledge of the General Resolution. In addition, the pledges under the General Resolution are subject to the provisions of the General Resolution permitting the application of amounts in such Funds and Accounts for certain purposes, including financing Mortgage Loans and paying certain expenses. The Agency is also authorized under the General Resolution to withdraw amounts from the General Reserve Fund for application for any lawful purpose of the Agency, free and clear of the pledge and lien of the General Resolution, upon filing a Cash Flow Statement with the Trustee. Amounts in the Special Loan Fund may be applied at the direction of the

Agency to any lawful purpose by the Agency without any filing of a new or amended Cash Flow Statement. See "—Cash Flow Statements and Cash Flow Certificates" below.

The General Resolution also permits the Agency to incur (i) Parity Obligations, secured by the lien of the General Resolution on a parity with the Bonds, upon the satisfaction of certain conditions set forth in the General Resolution, including confirmation of the then existing ratings on the Outstanding Bonds (other than Subordinate Bonds) by each of the Rating Agencies then rating such Bonds, or (ii) Subordinated Contract Obligations, secured by a lien subordinate to the lien of the Bonds. Such Parity Obligations and Subordinated Contract Obligations may include obligations to providers of Credit Facilities for Bonds and providers of Qualified Hedges. See "—Subordinate Bonds, Parity Obligations and Subordinated Contract Obligations" below.

See "EXHIBIT B—Summary of Certain Provisions of the General Resolution."

As of August 31, 2014, there was $1,174,060,000 principal amount of Outstanding Bonds under the General Resolution and subsequent to August 31, 2014, the Agency issued $55,170,000 principal amount of its Affordable Housing Revenue Bonds, 2014 Series E (collectively, the "Outstanding Bonds"). The 2014 Bonds will be secured on a parity with such Outstanding Bonds. The Agency may also incur, but, as of the date of this Official Statement, has not yet incurred, Parity Obligations secured on a parity with the Bonds upon the satisfaction of certain conditions set forth in the General Resolution, including confirmation of the then existing ratings on the Outstanding Bonds (other than Subordinate Bonds) by each of the Rating Agencies then rating such Bonds. The Agency may also issue additional Bonds that are subordinate in right of payment to the Outstanding Bonds and the 2014 Bonds. The Agency expects to issue additional parity Bonds under the General Resolution in the future.

Mortgage Loans

Under the General Resolution, the Agency is authorized to issue Bonds to finance any of its corporate purposes for which the Agency may issue bonds under the Act, or any other applicable law now or hereafter enacted. Such corporate purposes include, but are not limited to, financing one or more Mortgage Loans. The term Mortgage Loan is defined under the General Resolution as a loan for a Project, evidenced by a note, secured by a Mortgage (but such Mortgage need not create a first mortgage lien on such Project) and specified in a Supplemental Resolution as being subject to the lien of the General Resolution. The term Mortgage Loan also includes a participation by the Agency with another party or parties, public or private, in a loan made to a Mortgagor with respect to a Project, or pool of such loans, and any instrument evidencing an ownership in any such loan or the cash flow therefrom, including, but not limited to, guaranteed mortgage-backed securities. In addition to Mortgage Loans, the Agency may finance mortgage loans and other assets that are not subject to the pledge of the General Resolution. See "THE PROGRAM."

If Mortgage Loans are financed under the General Resolution, such Mortgage Loans may, but are not required to, be secured by Supplemental Security insuring or securing against Mortgage Loan default losses. Such Supplemental Security, if any, is required to be specified in the Supplemental Resolution authorizing the related Series of Bonds and may be in the form of, among other things, a policy of mortgage insurance, a guaranteed mortgage-backed security, a bank letter of credit, a surety bond or an escrow deposit, any or all of which may be obtained pursuant to one or more Federal, State or local government programs. See "THE PROGRAM—Supplemental Security."

Except as otherwise provided in a Supplemental Resolution authorizing Bonds, the Agency covenants in the General Resolution to diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of, and to collect payments under, the Program Assets that are Pledged Property (including Mortgage Loans) and any Supplemental Security relating to such Program Assets and, to the extent permitted by law, to defend, enforce, preserve and protect its rights and privileges under or with respect to such Program Assets and Supplemental Security. The Agency may modify a Mortgage or the terms of a Mortgage Loan in any respect but may not modify a Mortgage or the terms of any Mortgage Loan in a manner that will materially adversely affect the ability of the Agency to repay the Bonds

unless a Cash Flow Statement is filed with the Trustee. The Agency may withdraw Mortgage Loans from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or a Rating Confirmation. See "—Cash Flow Statements and Cash Flow Certificates" below.

Cash Flow Statements and Cash Flow Certificates

The General Resolution requires that the Agency file with the Trustee a current Cash Flow Statement

(i) whenever any Series of Bonds is issued or remarketed (e.g., in connection with the adjustment of the method of calculating interest thereon);

(ii) prior to entering into an agreement with a Credit Facility Provider for the purchase of Bonds with adjustments to maturity, amortization requirements or redemption provisions in accordance with the General Resolution;

(iii) prior to entering into any Qualified Hedge;

(iv) prior to the release of any Pledged Property from the lien and pledge of the Resolution, other than as provided for in a Supplemental Resolution authorizing a Series of Bonds;

(v) prior to the effectiveness of any Supplemental Resolution or other modification or amendment of the General Resolution in accordance with clause (8) described in "Exhibit B—Summary of Certain Provisions of the General Resolution—Adoption and Filing";

(vi) except with respect to transfers to the Rebate Fund or the Debt Service Reserve Fund in accordance with the General Resolution, prior to the application to any lawful purpose of the Agency, pursuant to the General Resolution, of amounts in the General Reserve Fund in excess of the amounts provided for such application in the most recent Cash Flow Statement on file with the Trustee;

(vii) prior to an increase in the amount of any Series Agency Expense Amount;

(viii) prior to the application of proceeds received from a Mortgage Advance Amortization Payment (including, without limitation, SONYMA Reduction Payments) or Voluntary Sale Proceeds or from Recovery Payments which have been deposited in the Redemption Account other than to the purchase or redemption of Bonds of the Series in respect of which such monies were directly or indirectly derived in the manner set forth in the General Resolution;

(ix) prior to the modification of a Mortgage or the terms of a Mortgage Loan in a manner that will materially adversely affect the ability of the Agency to repay the Bonds;

(x) prior to the transfer of the proceeds received by the Agency from a Mortgage Advance Amortization Payment (including, without limitation, SONYMA Reduction Payments), or Voluntary Sale Proceeds or from Recovery Payments to the Bond Proceeds Account or the retention of such amounts in the Revenue Fund pursuant to the General Resolution;

(xi) prior to the purchase of Term Bonds at prices exceeding par plus accrued interest pursuant to the General Resolution;

(xii) prior to the purchase of Bonds at prices exceeding the Redemption Price which would be payable on the next ensuing date on which the Bonds of the designated Series so purchased are redeemable at the option of the Agency according to their terms pursuant to the General Resolution; and

(xiii) prior to taking any other action for which the provisions of the General Resolution or any Supplemental Resolution require the furnishing of a Cash Flow Statement.

A Cash Flow Statement consists of a Certificate of an Authorized Officer giving effect to the action proposed to be taken and demonstrating, that (i) subsequent to the action or actions proposed to be taken and for which such Cash Flow Statement is filed by the Agency, the amount of moneys and Investment Obligations held in the Funds and Accounts pledged under the Resolution, together with accrued but unpaid interest thereon, and the outstanding principal balance of Mortgage Loans and other Program Assets, together with accrued but unpaid interest thereon and any other assets, valued at par, pledged for the payment of the Bonds

(other than Subordinated Bonds) and Parity Obligations, will exceed the aggregate principal amount of and accrued but unpaid interest on Outstanding Bonds (other than Subordinated Bonds) and Parity Obligations, and (ii) for the current and each succeeding Bond Year during which Parity Obligations are scheduled to be unpaid that amounts then expected to be on deposit in the Funds and Accounts in each such Bond Year will be at least equal to all amounts required by the General Resolution to be on deposit in the Funds and Accounts for the payment of Parity Obligations and for the funding of the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement. However, a Supplemental Resolution may provide that a Fund, Account, property or assets need not be taken into account when preparing the Cash Flow Statement. The Cash Flow Statement sets forth the assumptions upon which the estimates therein are based. In preparing a Cash Flow Statement, the Agency will utilize, with respect to Parity Obligation Instruments, cash flow assumptions and tests that are consistent with the then current ratings assigned to the Bonds (other than Subordinate Bonds) by the Rating Agency. In calculating the amount of interest due on Parity Obligations in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, with respect to Parity Obligations bearing interest at a variable rate as defined in a Supplemental Resolution, the interest rate used will be the fixed rate or rates acceptable to the Rating Agency for purposes of assuring that there is not an adverse effect on the Rating Agency's rating on the Bonds (other than Subordinate Bonds). Upon filing a Cash Flow Statement with the Trustee, the Agency will thereafter administer the Program and perform its obligations thereunder in accordance in all material respects with the assumptions set forth in such Cash Flow Statement until such time as a new or amended Cash Flow Statement will be filed with the Trustee. Facts reflected in a Cash Flow Statement may be as of a date or reasonably adjusted to a date of the most recently available data, as determined by the Agency.

A Rating Confirmation may be filed in lieu of filing a Cash Flow Statement for any of the purposes set forth above.

Neither the Special Loan Fund, nor the monies and securities on deposit therein, nor any mortgage loans or other assets acquired or made by or for the benefit of the Agency with monies withdrawn from the Special Loan Fund, will be included or otherwise reflected in any Cash Flow Statement to be filed by the Agency.

In addition, in lieu of filing a Cash Flow Statement in connection with the issuance or remarketing of a Series of Bonds, the Agency may file a Cash Flow Certificate which consists of a Certificate of an Authorized Officer certifying that (i) all of the proceeds of the Series of Bonds to be issued, except amounts to be deposited in the Debt Service Reserve Fund, will be used to fund one or more Mortgage Loans, each of which will be fully guaranteed or insured by a guarantor or insurer rated by the Rating Agency at least equal to the then rating on the Bonds (other than Subordinate Bonds); and (ii) Pledged Receipts projected to be received from such Mortgage Loan or Mortgage Loans in each Bond Year for which such Series of Bonds are scheduled to be Outstanding will be at least equal to the Parity Obligations and the Series Agency Expense Amounts scheduled to be due in each such Bond Year with respect to such Series of Bonds. The Cash Flow Certificate will set forth the assumptions upon which the estimates therein are based.

See "EXHIBIT B—Summary of Certain Provisions of the General Resolution—Cash Flow Statements and Cash Flow Certificates."

Debt Service Reserve Fund

The Agency is required to establish a Debt Service Reserve Fund for the Bonds pursuant to the General Resolution. If on any Interest Payment Date, principal payment date or Sinking Fund Payment Date the amount available in the applicable Accounts in the Debt Service Fund is insufficient to pay principal, Sinking Fund Payments and interest due on any Bonds, the Trustee is directed to apply amounts from the Debt Service Reserve Fund to the extent necessary to remedy the deficiency.

Under the General Resolution, the Debt Service Reserve Fund Requirement is the aggregate of the amounts specified as the Debt Service Reserve Fund Requirement for each Series of Bonds in a Supplemental Resolution authorizing the issuance of such Series of Bonds. There is no minimum Debt Service Reserve

Fund Requirement under the General Resolution. The General Resolution further provides that the Debt Service Reserve Fund Requirement for any Series of Bonds may be funded, in whole or in part, through Cash Equivalents if so provided in a Supplemental Resolution authorizing such Series. See "EXHIBIT B—Summary of Certain Provisions of the General Resolution—Debt Service Reserve Fund." As of August 31, 2014, the Debt Service Reserve Fund had a balance of approximately $7,095,000, which was invested in Investment Obligations. See "—Certain Investments" below.

General Reserve Fund

The General Resolution establishes the General Reserve Fund and provides that any Revenues remaining after the payment of debt service on the Bonds, replenishment of the Debt Service Reserve Fund and payment of Agency Expenses is to be deposited in the General Reserve Fund. As of August 31, 2014, the General Reserve Fund had a balance of approximately $26,831,000, which was invested in Investment Obligations. See "—Certain Investments" below.

Monies in the General Reserve Fund may be applied at the direction of the Agency to any other lawful use by the Agency free and clear of the lien of the General Resolution so long as (i) such withdrawal is consistent with the last Cash Flow Statement filed by the Agency with the Trustee or (ii) the Agency files a new or amended Cash Flow Statement or a Rating Confirmation with the Trustee. In addition, such withdrawal is not permitted if there is a deficiency in the Debt Service Reserve Fund or the Rebate Fund. Monies in the General Reserve Fund may be transferred to the Debt Service Reserve Fund or the Rebate Fund without the filing of a Cash Flow Statement or a Rating Confirmation. See "EXHIBIT B—Summary of Certain Provisions of the General Resolution—General Reserve Fund."

Special Loan Fund

The General Resolution establishes the Special Loan Fund and provides for deposit therein of any monies provided for such deposit pursuant to a Supplemental Resolution or a written direction of the Agency.

The Special Loan Fund and the monies and securities on deposit therein constitute Pledged Property. Monies at any time held in the Special Loan Fund may be applied at the direction of the Agency to any lawful use by the Agency without any requirement that such direction or use be consistent with any Cash Flow Statement or be accompanied by a new or amended Cash Flow Statement. Any income or interest earned by, or increment to, the Special Loan Fund due to the investment thereof will be retained in the Special Loan Fund.

If monies in the Special Loan Fund are applied to the funding or acquisition of any mortgage loan for a Project, the Agency will notify the Trustee thereof and the mortgage securing, and the mortgage note evidencing, such mortgage loan will constitute Pledged Property; provided, however, that (i) such mortgage loan will not be deemed to constitute an investment of monies in the Special Loan Fund or a Mortgage Loan, and (ii) the scheduled or other payments required by or with respect to such mortgage loan, and any prepayments of such mortgage loan, will be deposited in the Special Loan Fund as Pledged Property but will not be deemed to constitute Pledged Receipts.

Neither the Special Loan Fund, nor the monies and securities on deposit therein, nor any mortgage loans or other assets acquired or made by or for the benefit of the Agency with monies withdrawn from the Special Loan Fund, will be included or otherwise reflected in any Cash Flow Statement to be filed by the Agency.

Additional Bonds

Additional Bonds, subordinate to or on parity with the Bonds then Outstanding, may be issued by the Agency pursuant to the General Resolution. Prior to the issuance of any such additional Bonds (other than Subordinate Bonds), the General Resolution requires that the Trustee be provided with, among other things, confirmation of the then existing rating on the Bonds (other than Subordinate Bonds) by each of the Rating Agencies then rating such Bonds. See "EXHIBIT B—Summary of Certain Provisions of the General

Resolution—Issuance of Additional Obligations" for a description of the requirements that must be met under the General Resolution prior to the issuance of additional Bonds.

Subordinate Bonds, Parity Obligations and Subordinated Contract Obligations

The Agency may issue Subordinate Bonds under the General Resolution without filing a Cash Flow Statement or a Rating Confirmation with the Trustee. Subordinate Bonds are to be secured by a pledge of, and a lien on, the Pledged Property that is subordinate to the lien securing the Bonds other than Subordinate Bonds. The Agency is also permitted under the General Resolution (i) to arrange for a Credit Facility to secure any Series of Bonds and (ii) to obtain a Qualified Hedge. The Agency is required to file a Cash Flow Statement with the Trustee prior to obtaining a Qualified Hedge and prior to agreeing to make payments to a Credit Facility Provider that are more accelerated than the maturity or redemption provisions of the related Series of Bonds. The Agency's obligation to pay any amount to Credit Facility Providers or under any Qualified Hedge (other than a termination payment under a Qualified Hedge) may be secured by a pledge of, and a lien on, the Pledged Property on a parity with the lien securing the Bonds (in which case it will be a Parity Obligation) or on a subordinated basis (in which case it will be a Subordinated Contract Obligation). The obligation to make termination payments on a Qualified Hedge may only be secured on a basis that is subordinated to the lien securing the Bonds (other than Subordinate Bonds) and, therefore, may only be a Subordinated Contract Obligation. To date, the Agency has not issued Subordinate Bonds or entered into any Qualified Hedges or agreements with Credit Facility Providers or incurred any Parity Obligations (other than Bonds) or Subordinated Contract Obligations.

The General Resolution permits the Agency to give any Credit Facility Provider the right to approve, consent or take action in lieu of or in addition to the Holders of the Bonds secured by its Credit Facility.

NIBP Bonds

In addition to the Bonds, the Agency issued $276,130,000 of its Affordable Housing Revenue Bonds (Federal New Issue Bond Program), 2009 Series 1 (the "2009 NIBP Bonds") pursuant to a supplemental resolution to the General Resolution entitled "Affordable Housing Revenue Bonds (Federal New Issue Bond Program), NIBP Series 1 Resolution," adopted by the Agency on December 3, 2009, as amended (the "NIBP Supplemental Resolution"). Additional bonds have been and may continue to be issued pursuant to the NIBP Supplemental Resolution on a parity with the 2009 NIBP Bonds; as of August 31, 2014, $37,145,000 principal amount of such additional parity bonds was outstanding (collectively, the 2009 NIBP Bonds and such parity bonds are referred to as the "NIBP Bonds"). The NIBP Supplemental Resolution establishes separate funds and accounts for the NIBP Bonds and provides that the NIBP Bonds are secured by and payable solely from the monies held in such funds and accounts. The NIBP Bonds are not secured on a parity with the 2014 Bonds. The funds and accounts for the NIBP Bonds are not security for the 2014 Bonds and the funds and accounts for the 2014 Bonds are not security for the NIBP Bonds. The NIBP Bonds are not considered "Bonds" as such term is used in this Official Statement.

Summary of Program Assets and Revenues

The audited financial statements of the Agency for the fiscal year ended October 31, 2013 include supplemental information related to the Program. Said statements include (i) a balance sheet with assets, liabilities and net assets substantially related to the assets pledged under the General Resolution and (ii) a schedule of revenues, expenses and changes in fund net assets substantially related to the Revenues pledged under the General Resolution. Pursuant to the provisions of the Agency's continuing disclosure agreements in effect at that time, the financial statements of the Agency for the year ended October 31, 2013 were filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access system.

Certain Investments

Notwithstanding anything to the contrary contained in the General Resolution, only Investment Obligations may be purchased by the Trustee with funds that are pledged pursuant to the General Resolution. A change in the rating of any Investment Obligations purchased by the Trustee, subsequent to the date of purchase, would not require the Trustee to sell such Investment Obligations. If a Rating Agency were to downgrade or withdraw the rating on any Investment Obligations previously purchased by the Trustee, the rating on the Bonds could be negatively affected. See "RATING." In addition, if the obligor on an Investment Obligation were to encounter financial difficulties, payments on such Investment Obligations could be delayed or losses could be incurred. The amounts deposited in the Debt Service Reserve Fund and the Construction Financing Account are expected to be invested initially and thereafter in United States Treasury Obligations. Amounts on deposit in the Revenue Fund are expected to be invested in United States Treasury Obligations. Investment earnings on monies held in Funds and Accounts are to be transferred to the Revenue Fund or the Rebate Fund except as otherwise provided by the General Resolution. See "EXHIBIT B—Summary of Certain Provisions of the General Resolution—Deposits and Investments," "—Revenue Fund" and "—Rebate Fund."

Bonds Not a Debt of the State

The 2014 Bonds are special revenue obligations of the New York State Housing Finance Agency and will be payable by the Agency solely from and be secured by the Revenues, the Funds and Accounts and the Program Assets pursuant to the provisions of the General Resolution, as described herein. The Agency has no taxing power. The 2014 Bonds are not a debt of the State of New York. The State of New York is not liable on the 2014 Bonds and is not under any legal or moral obligation to provide monies to make up any deficiency in any of the Funds or Accounts established by the General Resolution.

THE PROGRAM

General

Under the Program, the Agency may issue Bonds to finance any Agency Corporate Purpose for which bonds may be issued under the Act or any other applicable law now or hereafter enacted. The Bonds may be issued to, among other things, finance Mortgage Loans for the construction, acquisition and/or rehabilitation of Projects and/or finance permanent Mortgage Loans for certain newly constructed or rehabilitated Projects. A Mortgage Loan also may represent the Agency's participation interest in a mortgage loan or pool of such loans or the cash flow therefrom. The Agency may withdraw Mortgage Loans from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or a Rating Confirmation. See "SECURITY FOR THE BONDS—Cash Flow Statements and Cash Flow Certificates."

Mortgage Loans

The 2014 Mortgage Loans are to be made with proceeds of the 2014 Bonds and pledged to secure the Bonds under the General Resolution. As of August 31, 2014, the Agency has made or provided for the making of Mortgage Loans in the aggregate principal amount of $1,462,000,000 of which an aggregate principal amount of approximately $1,157,340,000 was outstanding. Included in such amount is a Mortgage Loan supported by a Fannie Mae Credit Enhancement Instrument both during and after construction of the related Project in the original principal amount of $157,500,000, which Mortgage Loan was financed with the proceeds of the Agency's Affordable Housing Revenue Bonds, 2012 Series E (the "2012 Series E Bonds"). Subsequent to August 31, 2014, the Agency made Mortgage Loans in the amount of $54,900,000. See "EXHIBIT G Projects and Mortgage Loans Outstanding under the Program." The following table is a summary of all Mortgage Loans as of August 31, 2014.

Summary of All Mortgage Loans

	Number of Mortgage Loans	Approximate Outstanding Principal Balance of Mortgage Loans	Percentage of Total Outstanding Principal Balance of Mortgage Loans
Permanent Mortgage Loans	52	$382,964,000	33.09%
Construction Mortgage Loans	38	774,376,000	66.91%
TOTAL	90	1,157,340,000	100.00%

The Agency has established underwriting criteria for its mortgage lending activity. The Agency has applied such criteria to the outstanding Mortgage Loans and the 2014 Mortgage Loans and expects to apply such criteria to Mortgage Loans made by it in the future (although the Agency reserves the right to change such criteria from time to time). No Mortgage Loan will be made by the Agency until the completion of a review to assure that the Agency's underwriting criteria have been met. In addition, each outstanding Mortgage Loan and 2014 Mortgage Loan that is or will be supported by Supplemental Security was required to satisfy the underwriting criteria of the entity providing such Supplemental Security and the Agency expects that any future Mortgage Loan secured by Supplemental Security will be required to satisfy the underwriting criteria of each entity providing such Supplemental Security.

Supplemental Security

Currently, SONYMA provides Supplemental Security for all but three of the Mortgage Loans that relate to Projects for which construction or rehabilitation has been completed and certain conditions have been met (the "Permanent Mortgage Loans"). Fannie Mae provides Supplemental Security for one Permanent Mortgage Loan and Freddie Mac provides Supplemental Security for two (2) Permanent Mortgage Loans (representing approximately 6% of the aggregate principal balance of all Mortgage Loans as of August 31, 2014).

All Mortgage Loans that relate to Projects for which construction or rehabilitation has not been completed (the "Construction Mortgage Loans") are supported by Supplemental Security during the period of construction or rehabilitation. For all but five (5) Construction Mortgage Loans, a bank provides Supplemental Security during the period of construction or rehabilitation and SONYMA has committed to provide Supplemental Security upon conversion to a Permanent Mortgage Loan. Fannie Mae provides Supplemental Security for one (1) Construction Mortgage Loan and has committed to continue to provide Supplemental Security for that Construction Mortgage Loan upon conversion to a Permanent Mortgage Loan (representing approximately 13% of the aggregate principal balance of all Mortgage Loans as of August 31, 2014) and Freddie Mac provides Supplemental Security for three (3) Construction Mortgage Loans and has committed to continue to provide Supplemental Security upon conversion to Permanent Mortgage Loans (representing approximately 9% of the aggregate principal balance of all Mortgage Loans as of August 31, 2014). One Construction Mortgage Loan (representing approximately 1% of the aggregate principal balance of all Mortgage Loans as of August 31, 2014), which is supported by Supplemental Security in the form of amounts held in an escrow fund, is expected to be repaid upon completion of construction and will not convert to a Permanent Mortgage Loan.

See "EXHIBIT D—Description of Supplemental Security and Subsidy Programs" for a description of potential Supplemental Security as well as a description of SONYMA, Fannie Mae and Freddie Mac and information regarding certain providers of other Supplemental Security. The Supplemental Security for each outstanding Mortgage Loan is also set forth in "EXHIBIT G—Projects and Mortgage Loans Outstanding Under the Program" and the Supplemental Security for each of the 2014 Mortgage Loans is set forth under "PLAN OF FINANCING."

Subsidy Programs

Generally, Projects are subsidized under one or more Federal, State or local programs, including, but not limited to, Section 8 of the United State Housing Act of 1937, Section 236(b) of the National Housing Act of 1934 or funding from the New York State Office of Mental Health. For a description of the subsidy programs, see "EXHIBIT D—Description of Supplemental Security and Subsidy Programs—Subsidy Programs" and for a description of the subsidy program or programs applicable to each Project, see "EXHIBIT G—Projects and Mortgage Loans Outstanding Under the Program."

Servicing

The Agency services all of the Mortgage Loans except for (i) any Mortgage Loans financed through the acquisition of the Government National Mortgage Association's ("GNMA") securities (which would be serviced by the applicable mortgage banker), (ii) Mortgage Loans which are secured by bank letters of credit (in which case, the banks will service or provide for the servicing of the applicable Mortgage Loans) and (iii) Mortgage Loans which are secured by a Freddie Mac credit enhancement agreement or a Fannie Mae credit enhancement instrument (which would be serviced by a loan servicer designated by Freddie Mac and Fannie Mae, respectively). Servicing by the Agency includes, among other things, the collection of mortgage payments, establishing and holding escrow accounts for the payment of taxes, hazard insurance and mortgage insurance, establishing and holding escrow accounts for reserves for replacements and establishing and holding escrow accounts for reserves for operating deficits. To the extent that the Agency's required escrows are duplicative of those required by providers of Supplemental Security or governmental entities involved in the financing or regulation of a Project, the Agency may waive its own escrow requirements. The following is a discussion of the Agency's servicing activities.

The Agency requires annual financial statements from mortgagors for each mortgage loan that it services.

The Agency conducts a site review of each Project serviced by the Agency at least once every three years following completion of construction or rehabilitation of such Project to monitor its physical condition, except however, Projects that are subsidized through the Section 8 program or Projects with FHA-insured Mortgage Loans are inspected by the Agency or a third-party certified inspector every year. The Agency generally does not inspect Projects for which the Agency holds only a subordinate lien mortgage. The Agency's inspection ratings for Projects (other than Section 8 program or FHA-insured mortgage Projects) are "good," "fair" and "poor." HUD's inspection ratings for Projects benefiting from the Section 8 program or FHA mortgage insurance are "superior," "satisfactory," "below average" and "unsatisfactory." During site reviews, the Agency selects a sample and monitors through various non-invasive procedures the exterior and interior physical condition of the Projects, and in addition may monitor reporting, record keeping, affordable occupancy and other Agency requirements.

The Agency's inspection reviews include recommendations for curing deficiencies. The Agency monitors those Projects which receive below average and unsatisfactory ratings in order to determine whether (i) required reports have been made and/or (ii) curative work has been undertaken and completed within a prescribed time frame. In order to cure deficiencies and thus improve the ratings of such Projects, the Agency may advise a mortgagor to request a drawdown on its respective reserve fund for replacements. If the reserves are not sufficient to cover the work required to improve a Project's rating or if the Agency has determined that the low rating is due to mortgagor neglect, the Agency meets with the mortgagor to discuss corrective actions in all review areas which include management practices, financial operations, and vouchering procedures, as well as physical condition. In addition, the Agency conducts an annual review of (i) the inspected Projects to monitor their financial condition and (ii) the Projects subsidized through the Section 8 program to monitor their financial management controls.

As a result of certain HUD procedures, properties with FHA-insured mortgage loans which score below average or unsatisfactory according to HUD's inspection ratings may be subject to foreclosure by HUD.

Any Project subsidized through the Section 8 program which receives an unsatisfactory physical condition rating may have its subsidy payments reduced, suspended or terminated. In addition, HUD may reduce the Section 236 subsidy in certain cases if a unit or units in a Project subsidized through the Section 236 program become not habitable for any reason. In the event such payments were reduced, suspended or terminated in respect of a Mortgage Loan subsidized by a HAP Contract or a Section 236 Contract, such reduced, suspended or terminated payments would not be available to pay debt service on such Mortgage Loan, which could result in a default on such Mortgage Loan.

The Agency requires property, liability, boiler and machinery, and fidelity insurance for the mortgage loans that it services (see "EXHIBIT D—Description of Supplemental Security and Subsidy Programs—Supplemental Security—FHA Insurance Program—General"). The Agency requires that property insurance must cover at least the outstanding mortgage loan amount and lost rental value of at least one year's rental income at the Project (unless the Agency otherwise waives the requirement regarding lost rental value).

The Agency performs an annual "Risk Analysis" for each mortgage loan in its portfolio. The analysis allows the Agency to assess each Project's overall performance. The analysis is performed using various criteria, including, but not limited to occupancy, physical condition, property management effectiveness, rent collections, market conditions and debt service coverage ratio. The analysis results in the assignment of a risk level of Low, Moderate or High. Projects rated High Risk or Projects that have not completed the construction and rent-up phase and have not commenced amortization are given increased attention by Agency staff, by requiring, among other things, electronically submitted monthly operating reports and cash flow data.

Prepayments of Principal

General. The Agency may receive amounts relating to the principal of the Mortgage Loans financed with the proceeds of the Bonds prior to the scheduled due date of such principal. Prepayments of principal may be subject to terms and conditions, including the payment of penalties and premiums, and may not be permitted prior to a certain date. There may be certain other restrictions outside the Mortgage Loan documents that limit the ability of the applicable Mortgagor to prepay. Any such prepayment could result in the special redemption from Mortgage Advance Amortization Payments of certain Bonds at any time.

In general, prepayments are subject to the payment of certain fees and expenses. A Supplemental Resolution may provide that any prepayment premium or penalty does not constitute a Pledged Receipt or Recovery Payment. In addition, prior written notice of any Mortgage Advance Amortization Payment to the Agency or another servicer generally is required.

Under the General Resolution, advance payments of amounts to become due pursuant to a Mortgage Loan, including those made at the option of a Mortgagor, will be deposited in the Redemption Account. Unless specifically directed otherwise by written instructions of an Authorized Officer of the Agency and accompanied by a Cash Flow Statement, any monies in the Redemption Account resulting from such Mortgage Advance Amortization Payments, Recovery Payments, Voluntary Sale Proceeds or SONYMA Reduction Payments will be applied to the purchase or redemption of Bonds of the Series issued to finance the Mortgage Loans which gave rise to the Mortgage Advance Amortization Payments, Recovery Payment, Voluntary Sale Proceeds, SONYMA Reduction Payments.

Notwithstanding the preceding paragraph, unless otherwise provided in a Supplemental Resolution, if the Agency files a Cash Flow Statement with the Trustee, it may apply such monies in the Redemption Account to redeem another Series of Bonds or may deposit such amounts in the Bond Proceeds Account or the Revenue Fund in lieu of applying such monies to purchase or redeem Bonds. See "EXHIBIT B—Summary of Certain Provisions of the General Resolution—Bond Proceeds Account," "—Revenue Fund," "—General Reserve Fund" and "—Special Loan Fund" with respect to the right of the Agency to apply Mortgage Advance Amortization Payments, Recovery Payments, Voluntary Sale Proceeds, SONYMA Reduction Payments relating to the Mortgage Loans for purposes other than the purchase or redemption of Bonds, and the right of the Agency to withdraw amounts in the General Reserve Fund and the Special Loan Fund. See also the

description of the redemption provisions for the applicable series of Bonds in the related official statement for such Bonds.

CERTAIN INVESTMENT CONSIDERATIONS

This section of the Official Statement describes certain factors and considerations that may affect the security for the Bonds. Potential investors should consider, among other matters, these risk factors in connection with any purchase of the 2014 Bonds. The following discussion is not meant to present an exhaustive list of the risks associated with the purchase of any 2014 Bonds (and other considerations that may be relevant to particular investors) and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors, along with all other information contained or incorporated by reference in this Official Statement, in evaluating whether to purchase the 2014 Bonds. Such factors may affect the market price of the 2014 Bonds.

The Bonds are payable ONLY from the Revenues, Funds and Accounts under the General Resolution and Program Assets.

The 2014 Bonds are special revenue obligations of the Agency and will be payable solely from and be secured by the Revenues, the Funds and Accounts under the General Resolution (including a Debt Service Reserve Fund) and the Program Assets. Program Assets include Mortgage Loans financed with proceeds of Bonds and pledged to secure such Bonds and Revenues include certain payments under the Mortgage Loans. The General Resolution does not require that the Agency pledge its interests in the assets financed with the proceeds of additional Bonds, or the revenues derived therefrom, to secure the Bonds. Moreover, the Agency may withdraw Mortgage Loans and monies on deposit in certain Funds from the pledge and lien of the General Resolution upon the filing with the Trustee of a Cash Flow Statement or a Rating Confirmation.

The Agency has no taxing power. The 2014 Bonds are not a debt of the State of New York. The State of New York is not liable on the 2014 Bonds and is not under any legal or moral obligation to provide monies to make up any deficiency in any of the Funds or Accounts established by the General Resolution. See "SECURITY FOR THE BONDS."

Each Mortgagor's ability to make payments under its Mortgage Loan may be affected by many factors.

The ability of the Agency to pay the principal or redemption price of and interest on the Bonds is dependent on each Mortgagor's ability to make payments required under its respective Mortgage Loan. Certain factors which may affect the Mortgagor's ability to make such payments include, among other things, the timely completion of construction or rehabilitation of a Project, the achievement and maintenance of a sufficient level of occupancy and rents, the ability to achieve and maintain sufficient revenues to cover operating expenses, including taxes, utility rates, insurance premiums and maintenance costs, and changes in applicable laws and governmental regulations. In addition, the continued feasibility of a Project may depend in part upon general economic conditions and other factors in the surrounding area of a Project.

In addition to failure by a Mortgagor to make regularly scheduled payments on a Mortgage Loan, non-compliance with certain requirements by a Mortgagor could result in a redemption of Bonds.

A Mortgagor's failure to meet certain requirements including, but not limited to, making rental units available to tenants whose gross incomes does not exceed a certain percentage of AMI, restricting the rent charged to certain tenants, or failure to comply with the requirements of a Supplemental Security provider or Subsidy Program provider, could result in an event of default and acceleration of a Mortgage Loan. An acceleration of such Mortgage Loan generally requires a Supplemental Security provider to pay the outstanding principal and interest due on such Mortgage Loan to the Agency and which would result in the redemption of certain Bonds.

Most of the Mortgagors are single-purpose entities.

Most of the Mortgagors are single-purpose entities formed for the purpose of acquiring, constructing or rehabilitating and operating the applicable Project. As such, these Mortgagors have not previously engaged in any other business operations, do not intend to engage in any other business operations, have no historical earnings and have no assets other than their interest in the applicable Project. Accordingly, it is expected that each such Mortgagor will not have any other sources of funds other than revenues generated by the applicable Project to make payments of its Mortgage Loan following completion of construction or rehabilitation, as the case may be, of the applicable Project.

Availability of financing from third-party subsidy providers may be subject to compliance with various conditions.

Many Mortgagors also obtain additional capital financing from Federal, State or local sources to complete construction or rehabilitation of a Project. Timely availability of such financing may be affected by the respective Mortgagor's satisfaction of certain conditions, including availability of rental units to tenants whose gross incomes do not exceed a certain percentage of AMI.

Many Mortgagors have also obtained operating assistance through Federal, State or local subsidy programs ("Subsidy Programs") See "EXHIBIT D—Description of Supplemental Security and Subsidy Programs." In cases in which Projects are beneficiaries of Subsidy Programs, full and timely receipt of subsidy payments may be necessary for full payment under the Mortgage Loans made with respect to such Projects. Certain Subsidy Programs permit payments to be terminated or withheld if certain requirements are not met, including availability of rental units to tenants whose gross incomes do not exceed a certain percentage of AMI.

Performance by Supplemental Security providers for Mortgage Loans is subject to compliance with various conditions.

Mortgage Loans may be, but are not required to be, secured by Supplemental Security. See "EXHIBIT D—Description of Supplemental Security and Subsidy Programs."

In instances in which Supplemental Security backs a Mortgage Loan, timely receipt of the proceeds of the Supplemental Security may be material to the Agency's ability to pay the principal or redemption price of and interest on the Bonds. Timely receipt of Supplemental Security proceeds depends, in part, on the Agency's timely and complete submission of certain notices and documents to the providers of such Supplemental Security.

Further, if a Supplemental Security provider should encounter financial problems, payments could be delayed or losses could occur.

Payment of principal and interest payable on a Mortgage Loan not secured by Supplemental Security is subject solely to ability of such Mortgagor to make payments under such Mortgage Loan.

Mortgage Loans are <u>not</u> required to be secured by Supplemental Security. For Mortgage Loans that are not secured by Supplemental Security, the payments due under such Mortgage Loans are entirely dependent on each Mortgagor's ability to make such payments.

In the event of any such default where such Mortgage Loan is not secured by Supplemental Security, such mortgage lien would likely be the sole security for repayment of such Mortgage Loan. The process for foreclosing the mortgage lien or pursuing an action on a mortgage debt may be a lengthy and time-consuming process. For a discussion of current foreclosure procedures in New York State and current bankruptcy provisions for mortgage loans generally see "EXHIBIT E—New York Foreclosure Procedures and Bankruptcy."

In addition, if the value of a Project that secures a Mortgage Loan being foreclosed has declined substantially since the origination of the Mortgage Loan, the proceeds of any foreclosure sale may not be sufficient to pay foreclosure expenses and the amount due under the Mortgage Loan. The proceeds recovered upon the pursuit of remedies following a default on a Mortgage Loan, when received, together with other monies available under or pursuant to the General Resolution may be applied to redeem an allocable portion of certain Bonds.

Certain assumptions and projections are made when structuring or redeeming Bonds which may not be realized.

The amortization of each Series of Bonds has been and will be based on projections that assume that all payments on Mortgage Loans will be made on a timely basis (including payment of any 2014 Mortgage Loan Mandatory Prepayment), that there will be no defaults on Mortgage Loans or that such defaulted payments will be made up by providers of Supplemental Security and that Mortgagors will not make prepayments other than 2014 Mortgage Loan Mandatory Prepayments. These projections and assumptions are subject to risks and uncertainties, including risks and uncertainties outside the control of the Agency. The accuracy of such projections and assumptions is subject to known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from such projections and assumptions. Material differences could result in a variety of unpredictable consequences which could adversely affect the ability of the Agency to pay debt service on the Bonds.

Federal or State actions may affect the Mortgage Loans and the Bonds.

Congress or the New York State Legislature could enact legislation that would adversely affect the timing and amount of the Agency's recoveries from Mortgage Loans and thereby adversely affect the availability of amounts for the payment of debt service on the Bonds. The Agency cannot predict whether any such legislation will be enacted or, if it is enacted, what effect it would have on the revenues received by the Agency from Mortgage Loans.

Under certain circumstances, a Series of Bonds may be redeemed from application of monies from sources unrelated to the Mortgage Loans financed by such Series of Bonds.

Unless specifically directed otherwise by written instructions of an Authorized Officer of the Agency and accompanied by a Cash Flow Statement, any monies in the Redemption Account resulting from any Mortgage Advance Amortization Payments, Recovery Payments, Voluntary Sale Proceeds, SONYMA Reduction Payments or proceeds of the sale, assignment or other disposition of any Mortgage Loan are to be applied to the purchase or redemption of Bonds of the Series issued to finance the Mortgage Loans which gave rise to the Mortgage Advance Amortization Payments, Recovery Payments, Voluntary Sale Proceeds, SONYMA Reduction Payments or proceeds of the sale, assignment or other disposition of such Mortgage Loan. However, if the Agency files a Cash Flow Statement with the Trustee, it may apply such monies in the Redemption Account to redeem another Series of Bonds. In addition, if the Agency files a Cash Flow Statement with the Trustee, it may deposit such amounts in the Bond Proceeds Account and use such amounts to finance additional Mortgage Loans or may deposit such amounts in the Revenue Fund and apply them to pay scheduled debt service on Bonds.

The Debt Service Reserve Fund Requirement is the sum of all of the requirements established for each Series of Bonds and there is no minimum level required to be set for any particular Series of Bonds.

A Debt Service Reserve Fund is established under the General Resolution, with the Debt Service Reserve Fund Requirement being the aggregate of the amounts specified as the Debt Service Reserve Fund Requirement for each Series of Bonds in a Supplemental Resolution authorizing the issuance of such Series of Bonds. There is no minimum Debt Service Reserve Fund Requirement for a Series of Bonds established under the General Resolution and therefore the Debt Service Reserve Fund Requirement for a particular Series of Bonds may be $0. In addition, the Debt Service Reserve Requirement established for a Series of Bonds, if any, may be calculated based on the outstanding principal amount of Bonds of such Series or based on the

outstanding principal balance of Mortgage Loans financed with the proceeds of such Series of Bonds and therefore the Debt Service Reserve Fund Requirement may decrease as Mortgage Loans or Bonds are paid.

The Agency may withdraw amounts on deposit in the General Reserve Fund and the Special Loan Fund.

Monies in the General Reserve Fund may be withdrawn by the Agency upon the delivery to the Trustee of a Cash Flow Statement or Rating Confirmation so there can be no assurance that any amounts will be on deposit in the General Reserve Fund to make up any deficiency in Revenues available to pay debt service on Bonds.

The Agency may withdraw any moneys from the Special Loan Fund without the delivery of a Cash Flow Statement or Rating Confirmation so there can be no assurance that any amounts will be on deposit in the Special Loan Fund at any time to make up any deficiency in Revenues available to pay debt service on Bonds.

See "SECURITY FOR THE BONDS," "Exhibit A—Certain Definitions" and "Exhibit B—Summary of Certain Provisions of the General Resolution" for a description of these and other Funds and Accounts as well as the flow of Revenues through such Funds and Accounts.

Amounts in the Funds and Accounts are invested in Investment Obligations and therefore are subject to the creditworthiness of the issuer of such Investment Obligations.

Amounts held in the Funds and Accounts under the Resolution are permitted to be invested in Investment Obligations. If the obligor on an Investment Obligation should encounter financial problems, payments could be delayed or losses could occur. In addition, interest rates on Investment Obligations are subject to market factors and may be lower than anticipated.

Additional Bonds may be structured in ways that create additional risks and new programs may be financed that have different risks than the existing programs.

Additional Bonds could be structured in ways that create additional risks. While the General Resolution requires a Cash Flow Statement to be delivered in connection with the issuance of any additional Bonds, a Cash Flow Statement is not a guarantee of performance. In addition, the Agency has reserved the right to implement new programs. Implementing any such new programs may result in reduced flexibility to correct any cash flow problems that might materialize under the General Resolution. Even without the creation and implementation of such new programs, a similar reduction in flexibility could result if issuances under the General Resolution ceased.

Non-compliance with certain requirements could result in the loss of the exclusion from gross income of interest on certain Bonds for Federal income tax purposes.

Certain requirements must be met subsequent to the issuance and delivery of the Bonds in order that interest on such Bonds be and remain excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). These requirements include, but are not limited to, requirements relating to the income of tenants renting units in the Projects and the rent charged to certain tenants as well as requirements relating to the use and expenditure of gross proceeds of the Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the applicable Series of Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. See "TAX MATTERS."

Various factors may result in a downgrade or withdrawal of the rating on the Bonds by the Rating Agency which may have an adverse effect on the pricing of the Bonds in the secondary market.

A downgrade or withdrawal of the rating on any Investment Obligation provider, Supplemental Security provider or Credit Facility provider could result in the downgrade or withdrawal of the rating on the Bonds.

Factors affecting financial markets generally may affect the interest rates on and market prices for the Bonds.

Uncertainties, disruptions or volatility in the financial markets, and other factors might affect market rates for the Bonds and the price of Bonds in the secondary market. There is no guarantee that there will be a secondary market for the Bonds.

Recent government actions may affect the Program, the Bonds or the Mortgage Loans.

In recent years, the Federal government has undertaken a number of measures designed to address the current economic difficulties facing the United States. Additional measures and legislation may be considered by the Federal government, or the State Legislature, which measures may affect the Program, the Bonds, the Mortgage Loans or the Subsidy Programs. While some of these measures may benefit the Program, no assurance can be given that the Program, the Bonds or the holders of such Bonds will not be adversely affected by such measures. See "TAX MATTERS—Miscellaneous."

THE AGENCY

The Agency was created in 1960 by the Act and is a corporate governmental agency, constituting a public benefit corporation. The legislation creating the Agency determined the purpose thereof to be, in part, the providing of safe and sanitary housing accommodations, at rentals which families and persons of low income can afford, and which the ordinary operations of private enterprise cannot provide. To accomplish such purpose, the Agency is authorized to issue its bonds and notes to the investing public in order to encourage the investment of private capital through the Agency in mortgage loans to housing companies and eligible borrowers which, subject to State or Federal regulations as to rents, profits, dividends and disposition of their property, supply housing accommodations, and other facilities incidental or appurtenant thereto, to such families and persons.

The membership of the Agency consists of the Commissioner of Housing and Community Renewal, the Director of the Budget and the Commissioner of Taxation and Finance of the State of New York and four additional members appointed by the Governor, with the advice and consent of the Senate. The Governor designates from among the members appointed by him a Chairman, who serves as such during his term as a member. The Chairman of the Agency is also the chairman of the State of New York Mortgage Agency, the State of New York Municipal Bond Bank Agency, the Tobacco Settlement Financing Corporation and the New York State Affordable Housing Corporation. The members appointed by the Governor serve for the full or unexpired portions of six-year terms. The Agency's present members and its principal officers are:

William J. Mulrow	-	Chairman
Nestor M. Davidson	-	Member
Steven J. Weiss	-	Member
Robert L. Megna	-	Director of the Budget of the State of New York
Joyce L. Miller	-	Member
Thomas H. Mattox	-	Commissioner of Taxation and Finance of the State of New York
Darryl C. Towns	-	President and Chief Executive Officer - Commissioner of Housing and Community Renewal of the State of New York
Ted Houghton	-	Senior Vice President - Executive Deputy Commissioner Housing and Community Renewal of the State of New York
Marian A. Zucker	-	President, Finance and Development
C. Jason Kim	-	Senior Vice President and Counsel
Sheila Robinson	-	Senior Vice President/Chief Financial Officer
Bret Garwood	-	Senior Vice President Multifamily Programs

The Agency's officers currently also serve in the same capacities for the State of New York Mortgage Agency ("SONYMA"), the New York State Affordable Housing Corporation ("AHC"), the State of New York Municipal Bond Bank Agency ("MBBA") and the Tobacco Settlement Financing Corporation ("TSFC").

A.C. Advisory, Inc. acted as financial advisor to the Agency in connection with the sale and issuance of the 2014 Bonds.

The Agency and its corporate existence will continue until terminated by law; provided, however, that no such law will take effect so long as the Agency has bonds, notes or other obligations outstanding. The powers of the Agency, as defined in the Act, are vested in and exercised by no less than four of the members thereof then in office. The Agency may delegate to one or more of its members, or its officers, agents and employees, such powers and duties as it may deem proper.

The Agency is authorized to issue bonds and notes to provide funds for the purpose of making mortgage loans to limited-profit housing companies, non-profit housing companies, urban rental housing companies, owners of multi-family Federally-aided projects, owners of multi-family housing accommodations, nursing home companies, non-profit hospital and medical corporations, community development corporations, community mental health services and community mental retardation services companies, non-profit corporations authorized to provide youth facilities projects, and community senior citizens centers and services companies; for the purpose of making loans to lending institutions to finance mortgage loans for multi-family housing accommodations; for the purpose of making equity loans to mutual housing companies, and certain other corporations, organized in accordance with the provisions of the Private Housing Finance Law; for the purpose of financing health facilities for municipalities constituting social service districts; for the purpose of making payments to certain public benefit corporations of the State to provide funds to repay the State for amounts advanced to finance the cost of various housing assistance programs administered by such public benefit corporations; and for the purpose of the refunding of any bonds, notes or other obligations issued by

the State or a State corporation then outstanding, the payment of debt service and related expenses of which are subject to appropriation by the State and not otherwise secured by a dedication of specific revenues, as permitted by law. The Agency is also authorized to issue bonds and notes to provide funds for the purpose of making mortgage loans to projects combining non-profit housing and health facilities.

As of August 31, 2014, to provide funds for the aforementioned purposes the Agency had issued bonds in the approximate aggregate principal amount of $28,446,395,000, of which approximately $12,682,009,000 was outstanding. The bonds issued and to be issued for the aforementioned purposes (other than the Outstanding Bonds, the 2014 Bonds and any additional Bonds that may be issued under the General Resolution) are not and will not be secured by the Revenues or Program Assets or by Funds or Accounts established under the General Resolution for the purpose of securing the Bonds. The Outstanding Bonds, the 2014 Bonds and any such additional Bonds are not and will not be secured by the property pledged by the Agency for the purpose of securing other bonds issued by the Agency.

From time to time, legislation is introduced on the Federal and State levels which, if enacted into law, could affect the Agency and its operations. The Agency is not able to represent whether such bills will be introduced in the future or become law. In addition, the State undertakes periodic studies of public authorities in the State (including the Agency) and their financing programs. Any of such periodic studies could result in proposed legislation which, if adopted, could affect the Agency and its operations.

Each of the 2014 Projects has been approved as of the date of this Official Statement for financing by the New York State Public Authorities Control Board ("PACB"). The PACB was created by the State for the purpose, among others, of approving the financing and construction of projects of the Agency and certain other State public authorities. The PACB has been given authority to approve the financing and construction of any new or reactivated projects proposed by the Agency and certain other State public authorities. The PACB is authorized to approve proposed new projects only upon its determination that there are commitments sufficient to provide for the permanent financing of the projects.

TAX MATTERS

The Code and the Treasury regulations promulgated thereunder or applicable thereto (the "Treasury Regulations") impose substantial requirements and restrictions on bonds issued as part of an "issue" of bonds, the interest on which is not included in gross income for Federal income tax purposes and the proceeds of which are used for the financing of, among others, multifamily Mortgage Loans, such as the 2014 Bonds.

Opinion of Bond Counsel

In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel to the Agency, under existing statutes and court decisions, (i) interest on the 2014 Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any 2014 Bond for any period during which such 2014 Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2014 Bonds or a "related person" and (ii) interest on the 2014 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Agency, the 2014 Mortgagors and others, in connection with the 2014 Bonds, and Bond Counsel has assumed compliance by the Agency, the 2014 Mortgagors and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2014 Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Bond Counsel to the Agency, under existing statutes, interest on the 2014 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

Bond Counsel expresses no opinion regarding any other Federal, state or local tax consequences with respect to the 2014 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action thereafter taken or not taken, or any facts or circumstances that may thereafter come to its attention, or changes in law or in interpretations thereof that may thereafter occur, or for any other reason. Bond Counsel expresses no opinion on the effect of any action thereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2014 Bonds, or under state and local tax law.

Summary of Certain Federal Tax Requirements

Under applicable provisions of the Code, the exclusion from gross income of interest on the 2014 Bonds for purposes of Federal income taxation requires that (i) at least 40% (25% for any 2014 Project located in New York City) of the units in each 2014 Project financed by the 2014 Bonds be occupied during the "Qualified Project Period" (defined below) by individuals whose incomes, determined in a manner consistent with Section 8 of the United States Housing Act of 1937, as amended, do not exceed 60% of the median income for the area, as adjusted for family size, and (ii) all of the units of each 2014 Project financed by the 2014 Bonds be rented or available for rental on a continuous basis during the Qualified Project Period. "Qualified Project Period" for each 2014 Project financed by the 2014 Bonds means a period commencing upon the later of (a) occupancy of 10% of the units in such 2014 Project or (b) the date of issue of the 2014 Bonds and running until the later of (i) the date which is 15 years after occupancy of 50% of the units in such 2014 Project, (ii) the first date on which no tax-exempt private activity bonds issued with respect to such 2014 Project are outstanding or (iii) the date on which any assistance provided with respect to such 2014 Project under Section 8 of the 1937 Housing Act terminates. Such 2014 Project will meet the continuing low income requirement as long as the income of the individuals occupying the unit does not increase to more than 140% of the applicable limit. Upon an increase over 140% of the applicable limit, the next available unit of comparable or smaller size in such 2014 Project must be rented to an individual having an income that does not exceed the applicable income limitation.

In the event of noncompliance with the requirements described in the preceding paragraph arising from events occurring after the issuance of the 2014 Bonds, the Treasury Regulations provide that the exclusion of interest from gross income for Federal income tax purposes will not be impaired if the Agency takes appropriate corrective action within a reasonable period of time after such noncompliance is first discovered or should have been discovered by the Agency.

Certain Additional Federal Tax Requirements and Covenants

The Code establishes certain additional requirements that must be met subsequent to the issuance and delivery of the 2014 Bonds in order that interest on the 2014 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the 2014 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the Federal government. Noncompliance with such requirements may cause interest on the 2014 Bonds to become included in gross income for Federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Agency and each Mortgagor of a 2014 Project have covenanted or will covenant to comply with certain applicable requirements of the Code to assure the exclusion of interest on the 2014 Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral Federal income tax matters with respect to the 2014 Bonds. It does not purport to address all aspects of Federal taxation that may be relevant to a particular owner of a 2014 Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of owning and disposing of the 2014 Bonds.

Prospective owners of the 2014 Bonds should be aware that the ownership of such obligations may result in collateral Federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for Federal income tax purposes. Interest on the 2014 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest (including original issue discount) paid on tax-exempt obligations, including the 2014 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification", or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding", which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a 2014 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the 2014 Bonds from gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the 2014 Bonds under Federal or state law or otherwise prevent beneficial owners of the 2014 Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the 2014 Bonds. For example, the Fiscal Year 2015 Budget proposed on March 4, 2014, by the Obama Administration recommends a 28% limitation on "all itemized deductions, as well as other tax benefits" including "tax-exempt interest." The net effect of such a proposal, if enacted into law, would be that an owner of a tax-exempt bond with a marginal tax rate in excess of 28% would pay some amount of Federal income tax with respect to the interest on such tax-exempt bond. Similarly, on February 26, 2014, Dave Camp, Chairman of the United States House Ways and Means Committee, released a discussion draft of a proposed bill which would significantly overhaul the Code, including the repeal of many deductions; changes to the marginal tax rates; elimination of tax-exempt treatment of interest for certain bonds issued after 2014; and a provision similar to the 28% limitation on tax-benefit items described above (at 25%) which, as to certain high income taxpayers, effectively would impose a 10% surcharge on their "modified adjusted gross income," defined to include tax-exempt interest received or accrued on all bonds, regardless of issue date.

Prospective purchasers of the 2014 Bonds should consult their own tax advisors regarding the foregoing matters.

NO LITIGATION

At the time of delivery and payment for the 2014 Bonds, the Agency will deliver, or cause to be delivered, a certificate of an officer of the Agency substantially to the effect that, to the best of such officer's knowledge, there is no litigation or other proceeding of any nature now pending or, to such officer's

knowledge, threatened against or adversely affecting the Agency of which the Agency has notice or, to such officer's knowledge, any basis therefor, seeking to restrain or enjoin the issuance, sale, execution or delivery of the 2014 Bonds or the financing of the 2014 Mortgage Loans, or in any way contesting or affecting the validity of the 2014 Bonds, the Resolutions, the Disclosure Agreement (as defined below), any agreement related to the 2014 Bonds to which the Agency is a party or any proceedings of the Agency taken with respect to the issuance or sale of the 2014 Bonds or the financing of the 2014 Mortgage Loans, or the pledge, collection or application of any monies or security provided for the payment of the Bonds (including the 2014 Bonds), or the existence, powers or operations of the Agency, or contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto, if any.

The Agency is involved in certain litigation and disputes incidental to its operations. Upon the basis of information currently available, the Agency believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting from such litigation and disputes will not materially adversely affect the financial position of the Agency.

AGREEMENT OF THE STATE

In accordance with the authority granted to the Agency pursuant to the provisions of Section 48 of the Act, the Agency, on behalf of the State, has pledged to and agreed with the Holders of the Bonds that the State will not limit or alter the rights vested by the Act in the Agency to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such Holders, are fully met and discharged. Notwithstanding the State's pledges and agreements contained in the Act, the State may in the exercise of its sovereign power enact or amend its laws which, if determined to be both reasonable and necessary to serve an important public purpose, could have the effect of impairing these pledges and agreements with the Agency and with the holders of the Agency's notes or bonds.

LEGAL INVESTMENTS

Under the provisions of Section 52 of the Act, the Bonds, in the State of New York, are made securities in which all public officers and bodies of the State and all its municipalities and municipal subdivisions, all insurance companies and associations, and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital, in their control or belonging to them. Certain of such investors may be subject to separate restrictions which limit or prevent their investment in the 2014 Bonds.

SECURITY FOR DEPOSITS

Bonds or notes of the Agency may be deposited with the State Comptroller to secure deposits of State monies in banks and trust companies in accordance with Section 105 of the State Finance Law. Bonds of the Agency may also be deposited with the State Comptroller to secure the release of amounts retained from payments to contractors performing work for the State or for any State department or official, in accordance with Section 139(3) of the State Finance Law.

UNDERWRITING

Citigroup Global Markets Inc., Samuel A. Ramirez & Co., Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, J.P. Morgan Securities LLC, Loop Capital Markets LLC, Morgan Stanley & Co. LLC and RBC Capital Markets, LLC have jointly and severally agreed, subject to certain conditions, to purchase the 2014 Bonds from the Agency at a purchase price equal to the principal amount of the 2014 Bonds and to make

a public offering of such 2014 Bonds at prices that are not in excess of the public offering prices stated on the inside cover page of this Official Statement and to receive an Underwriters' fee of $410,784.78.

The 2014 Bonds may be offered and sold to certain dealers (including the Underwriters) at prices lower than such public offering prices, and such public offering prices may be changed, from time to time, by such Underwriters.

Information Provided by the Underwriters

This paragraph and the next two successive paragraphs have been provided by the Underwriters: Certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by the Agency as Underwriters) for the distribution of the 2014 Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Agency or for the Mortgagors of the 2014 Projects, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Agency or of the Mortgagors of the 2014 Projects. In addition, it is expected that from time to time affiliates of the Underwriters may provide Construction LOCs and/or be investors in 2014 Mortgagors.

RATING

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the 2014 Bonds. Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such rating will be retained for any given period of time or that the same will not be revised or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such revision or withdrawal of any such rating may have an adverse effect on the market price of the 2014 Bonds.

CERTAIN LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the 2014 Bonds by the Agency are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Agency. Certain legal matters will be passed upon for the Underwriters by their counsel, McKenna Long & Aldridge LLP, New York, New York. Certain legal matters related to the 2014 Bonds will be passed upon for the Agency by Bryant Rabbino LLP, New York, New York, Disclosure Counsel to the Agency.

FINANCIAL STATEMENTS

As described below under "CONTINUING DISCLOSURE," the Agency will agree in the Disclosure Agreement to file the financial statements of the Agency with the MSRB commencing with the financial statements for the year ended October 31, 2014 within 180 days after October 31 of each year. Pursuant to the provisions of the Agency's continuing disclosure agreements in effect at that time, financial statements of the Agency for the year ended October 31, 2013 were filed with the MSRB. The information contained in these

financial statements, which are provided for informational purposes only, should not be used in any way to modify the description of the security for the Bonds contained herein. The assets of the Agency, other than those pledged pursuant to the General Resolution, are not pledged to nor are they available to Bondholders.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Agency and the Trustee will enter into a written agreement for the benefit of the Holders of the 2014 Bonds (the "Disclosure Agreement") to provide continuing disclosure. The Agency will undertake to provide to the Municipal Securities Rulemaking Board (the "MSRB"), on an annual basis on or before 180 days after the end of each fiscal year of the Agency commencing with the fiscal year ended October 31, 2014, certain financial and operating data, referred to herein as "Agency Annual Information," including, but not limited to annual financial statements of the Agency. In addition, the Agency will undertake in the Disclosure Agreement, for the benefit of the holders of the 2014 Bonds, to provide to the MSRB, not in excess of ten (10) Business Days after the occurrence of the event, the notices provided for by Rule 15c2-12 and described below.

The Agency Annual Information will consist of the following: (a) annual financial statements of the Agency prepared in conformity with accounting principles generally accepted in the United States and audited by an independent firm of certified public accountants in accordance with auditing standards generally accepted in the United States; provided, however, that if audited financial statements are not available in accordance with the dates described above, unaudited financial statements will be provided and such audited financial statements will be delivered to the MSRB when they become available; and (b) financial and operating data of the following type: (i) amount on deposit in Debt Service Reserve Fund, (ii) principal amount of each Series of Bonds Outstanding, and whether or not such Bonds are subject to redemption with payments relating to Mortgage Loans financed with the proceeds of other Series of Bonds, (iii) summary and detailed list of Mortgage Loans and Projects (including amount advanced, outstanding principal balance, occupancy rate, prepayment provisions and physical inspection and/or risk assessment), (iv) investments in each Fund, (v) Credit Facilities, if any and (vi) Qualified Hedges, if any, together with (c) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial and operating data concerning the Agency and in judging the financial information about the Agency.

Pursuant to the Disclosure Agreement, the Agency will further undertake to require that any Mortgagor for which the unpaid principal amount under its Mortgage Note equals or exceeds twenty percent (20%) of the aggregate unpaid principal amount under all outstanding Mortgage Notes (a "Major Obligated Mortgagor"), enter into an Agreement of Major Obligated Mortgagor to Provide Continuing Disclosure with the Agency and the Trustee (the "Mortgagor Disclosure Agreement"), by which such Major Obligated Mortgagor will agree to provide to the MSRB, on an annual basis on or before 120 days after the end of each fiscal year of such Major Obligated Mortgagor certain financial and operating data. The Mortgagor Disclosure Agreement will provide that such financial and operating data, referred to herein as "Mortgagor Annual Information," will consist of annual financial statements of such Major Obligated Mortgagor, prepared in accordance with generally accepted accounting principles and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards; provided, however, that if the Mortgagor does not in the ordinary course of business for such year produce audited financial statements, the Mortgagor Disclosure Agreement will provide that unaudited financial statements will be provided by the Mortgagor. The Mortgagor Disclosure Agreement will further provide that if audited financial statements are required but not available in accordance with the date described above, unaudited financial statements will be provided by the Mortgagor and such audited financial statements will be delivered to the MSRB by the Mortgagor when they become available. Which Mortgagors constitute Major Obligated Mortgagors will change as additional Mortgage Loans are made and/or Mortgage Loan Mandatory Prepayments or other Mortgage repayments are paid. The provisions of the Mortgagor Disclosure Agreement described in this paragraph will apply to a particular Mortgagor only so long as such Mortgagor continues to be a Major Obligated Mortgagor. The Agency has no obligation to monitor any Mortgagor's compliance with its obligations under the relevant Mortgagor Disclosure Agreement. Currently, the Mortgage Loan with the

largest outstanding principal balance is a Mortgage Loan financed with the proceeds of the 2012 Series E Bonds in the original principal amount of $157,500,000, and the Mortgagor of such Mortgage Loan is not currently a Major Obligated Mortgagor.

The notices required to be provided by the Disclosure Agreement in accordance with Rule 15c2-12, which the Agency will undertake to provide as described above (or with respect to (12) and (13) below, as they relate to any Major Obligated Mortgagor whose Mortgage Loan is made on or after the date hereof, will require such Major Obligated Mortgagor to provide), include notices of any of the following events with respect to the 2014 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements or liquidity facilities reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2014 Bonds or other material events affecting the tax status of the 2014 Bonds; (7) modification to the rights of holders of 2014 Bonds, if material; (8) 2014 Bond calls, if material, and tender offers; (9) defeasances of all or a portion of the 2014 Bonds; (10) the release, substitution or sale of property securing repayment of the 2014 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar events of the Agency or a Major Obligated Mortgagor; (13) the consummation of a merger, consolidation or acquisition involving the Agency or a Major Obligated Mortgagor or the sale of all or substantially all of the assets of the Agency or a Major Obligated Mortgagor, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and to the MSRB, in a timely manner, notice of a failure by the Agency to provide the Agency Annual Information or, to the extent known by the Agency, a failure by a Major Obligated Mortgagor to provide the Mortgagor Annual Information required by the Mortgagor Disclosure Agreement. In the previous five years the Agency has not failed to comply, in all material respects, with any previous undertakings pursuant to Rule 15c2-12. However, the Agency has in the past failed to file in a timely manner certain event notices and certain notices of ratings downgrades by Moody's Investors Service, Inc. of certain series of the Agency's bonds, all of which the Agency considered non-material. Subsequently, such notices were filed.

If the Agency fails to comply with any provisions of the Disclosure Agreement, then each of the Trustee and any Holder of the 2014 Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, the Disclosure Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach or default under the Disclosure Agreement to provide the continuing disclosure described above is an action to compel specific performance of the undertakings contained therein, and no person or entity may recover monetary damages thereunder under any circumstances; provided, however, that the rights of any Holder of 2014 Bonds to challenge the adequacy of the information provided by the Agency are conditioned upon the provisions of the General Resolution with respect to the enforcement of remedies of Holders of the 2014 Bonds upon the occurrence of an event of default described in the General Resolution. A breach or default under the Disclosure Agreement will not constitute an event of default under the General Resolution or any other agreement executed and delivered in connection with the issuance of the 2014 Bonds. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the Disclosure Agreement, insofar as the provisions of Rule 15c2-12 no longer in effect required the provision of such information, will no longer be required to be provided. Beneficial Owners of the 2014 Bonds are third-party beneficiaries of the Disclosure Agreement and, as such, are deemed to be Holders of the 2014 Bonds for the purposes of exercising remedies as described above.

The foregoing undertakings are intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data. Where an undertaking calls for information that no longer can be generated because the operations to which it related have been materially changed or

discontinued, a statement to that effect will be provided by either the Agency or the Mortgagor pursuant to the Disclosure Agreement or the Mortgagor Disclosure Agreement, as applicable. The Disclosure Agreement and the Mortgagor Disclosure Agreements, however, may be amended or modified without the consent of the Holders of the 2014 Bonds under certain circumstances set forth in the respective agreements.

Copies of the Disclosure Agreement, when executed and delivered by the parties thereto on the date of the delivery of the 2014 Bonds, will be on file at the office of the Agency.

EXHIBITS

Exhibits A through G are integral parts of this Official Statement and should be read in conjunction with the foregoing material.

MISCELLANEOUS

At the written direction of an Authorized Officer of the Agency, "CUSIP" identification numbers will be imprinted on the 2014 Bonds, but such numbers will not constitute a part of the contract evidenced by the 2014 Bonds and any error or omission with respect thereto will not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2014 Bonds. In addition, failure on the part of the Agency to use such CUSIP numbers in any notice to Holders of the 2014 Bonds will not constitute an event of default or any similar violation of the Agency's contract with such Holders.

All quotations from, and summaries and explanations of, the Act, the SONYMA Act, the General Resolution, the 2014 Series F Supplemental Resolution, the Construction LOCs, the SONYMA Insurance, the Mortgages, the Mortgage Notes, the Disclosure Agreements and Federal and State laws and regulations contained herein do not purport to be complete and reference is made to said laws, resolutions, regulations and documents for full and complete statements of their provisions. Copies, in reasonable quantity, of the General Resolution and the 2014 Series F Supplemental Resolution may be obtained upon request directed to the Agency.

The information contained in this Official Statement is subject to change without notice and no implication should be derived therefrom or from the sale of the 2014 Bonds that there has been no change in the affairs of the Agency from the date hereof. Pursuant to the General Resolution, the Agency has covenanted to keep proper books of record and account in which full, true and correct entries will be made of all its dealings and transactions under the General Resolution, and to cause such books to be audited for each fiscal year. The General Resolution requires that such books be open to inspection by the Trustee and the Holders of not less than five percent (5%) of the 2014 Bonds issued thereunder during regular business hours of the Agency, and that the Agency furnish a copy of the auditor's report, when available, upon the request of the Holder of any Outstanding 2014 Bonds.

For information with respect to the Agency, including its most recent audited financial statements, reference is made to the Agency's 2013 Annual Report, copies of which, in reasonable quantity, may be obtained upon request directed to the Public Information Office of the Agency, 641 Lexington Avenue, New York, N.Y. 10022, Tel. (212) 688-4000.

Any statements in this Official Statement involving matters of estimate or opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Agency and the purchasers or Holders of any of the 2014 Bonds.

NEW YORK STATE HOUSING FINANCE AGENCY

By: /s/ Marian A. Zucker
President,
Finance and Development

EXHIBIT A

CERTAIN DEFINITIONS

The following terms shall, for all purposes of the Official Statement, have the following meanings unless the context shall clearly indicate some other meaning:

"Accounts" shall mean the Accounts created and established pursuant to the General Resolution or a Supplemental Resolution.

"Accreted Amount" shall mean, as of any Interest Payment Date, with respect to Capital Appreciation Bonds and Deferred Income and Appreciation Bonds, such amounts as are set forth in the Supplemental Resolution authorizing such Capital Appreciation Bonds and Deferred Income and Appreciation Bonds. "Accreted Amount" shall mean, as of any date other than an Interest Payment Date, the sum of (a) the Accreted Amount on the preceding Interest Payment Date and (b) the product of (x), a fraction, the numerator of which is the number of days having elapsed from the preceding Interest Payment Date and the denominator of which is the number of days from such preceding Interest Payment Date to the next succeeding Interest Payment Date and (y) the difference between the Accreted Amounts for such Interest Payment Dates.

"Act" shall mean the New York State Housing Finance Agency Act, Article III of the Private Housing Finance Law (Chapter 44-B of the Consolidated Laws of the State of New York) as amended and supplemented.

"Agency" shall mean the New York State Housing Finance Agency, the corporate governmental agency created by the Act, or any body, agency or instrumentality of the State that shall succeed to the powers, duties and functions of the Agency.

"Agency Corporate Purposes" shall mean any purpose for which the Agency may issue bonds pursuant to the Act or other applicable law.

"Agency Expenses" shall mean, as of any date of calculation, the sum of the Series Agency Expense Amounts as set forth in the Supplemental Resolution that authorize each Series of Bonds.

"Amortized Value" shall mean, when used with respect to securities purchased at a premium above or a discount below par, the value as of any given date obtained by dividing the total amount of the premium or discount at which such securities were purchased by the number of days remaining to maturity on such securities at the time of such purchase and by multiplying the amount so calculated by the number of days having passed since the date of such purchase; and (a) in the case of securities purchased at a premium, by deducting the product thus obtained from the purchase price, and (b) in the case of securities purchased at a discount, by adding the product thus obtained to the purchase price.

"Authorized Newspaper" shall mean a financial paper, or a newspaper of general circulation in the Borough of Manhattan, City and State of New York, customarily published at least once a day for at least five (5) days (other than legal holidays) in each calendar week, printed in the English language.

"Authorized Officer" shall mean the Chairman or any other officer of the Agency as defined in the Agency's Bylaws.

"Bond" or "Bonds" shall mean any Bond or the issue of Bonds, as the case may be, established and created by the General Resolution and issued pursuant to a Supplemental Resolution.

"Bond Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Agency.

"Bondholder" or "Holder" or "Holders of Bonds" or any similar term, shall mean any person or party who shall be the registered owner of any Outstanding Bond or Bonds.

"Bond Proceeds Account" shall mean the account by that name established by paragraph (2) of Section 401 of the General Resolution.

"Bond Year" shall mean a twelve-month period beginning on the first day of November of each year.

"Capital Appreciation Bonds" shall mean any non-current interest paying Bonds as designated in a Supplemental Resolution authorizing such Bonds.

"Capitalized Interest Accounts" shall mean the accounts by that name established by paragraph (4) of Section 401 of the General Resolution.

"Cash Equivalent" shall mean a Letter of Credit, Insurance Policy, Surety, Guaranty or other Credit Facility (each as defined and provided for in a Supplemental Resolution providing for the issuance of Bonds rated by the Rating Agency or in another Supplemental Resolution), provided by an institution that has received a rating of its claims paying ability from the Rating Agency at least equal to the then existing rating on the Bonds (other than Subordinate Bonds) or, if applicable, whose unsecured long-term debt securities are rated at least the then existing rating on the Bonds (other than Subordinate Bonds) (or "A-1+" or "P-1", as applicable, if the Cash Equivalent has a remaining term at the time of acquisition not exceeding one year) by the Rating Agency; provided, however, that a Cash Equivalent may be provided by an institution that has received a rating of its claims paying ability that is lower than that set forth above or whose unsecured long-term (or short-term) debt securities are rated lower than that set forth above, so long as the providing of such Cash Equivalent does not, as of the date it is provided, in and of itself, result in the reduction or withdrawal of the then existing rating assigned to the Bonds (other than Subordinate Bonds) by the Rating Agency.

"Cash Flow Certificate" shall mean a Cash Flow Certificate conforming to the requirements of Section 819 of the General Resolution.

"Cash Flow Statement" shall mean a Cash Flow Statement conforming to the requirements of Section 819 of the General Resolution.

"Certificate" shall mean (i) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to the General Resolution or (ii) the report of an accountant as to audit or other procedures called for by the General Resolution.

"Construction Financing Account" shall mean the account by that name established by paragraph (3) of Section 401 of the General Resolution.

"Cost of Issuance" shall mean the items of expense to be paid or reimbursed directly or indirectly by the Agency and related to the authorization, sale and issuance of Bonds, and entering into of other Parity Obligation Instruments, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safe-keeping of Bonds, costs and expenses of refunding Bonds, bond underwriting fees, any bond issuance charge and other costs, charges and fees in connection with the foregoing.

"Cost of Issuance Accounts" shall mean the accounts by that name established by paragraph (5) of Section 401 of the General Resolution.

"Cost of Project" shall mean costs and expenses approved by the Agency to be necessary in connection with a Project.

"Counsel's Opinion" shall mean an opinion signed by an attorney or firm of attorneys selected by the Agency. Any such attorney may be a lawyer in the regular employment of the Agency.

"Credit Facility" shall mean (i) an unconditional and irrevocable letter of credit in form and drawn on a bank or banks acceptable to the Agency, (ii) cash, (iii) a certified or bank check, (iv) Investment Obligations, (v) a policy of municipal bond insurance, or (vi) any other credit facility similar to the above in purpose and effect, including, but not limited to, a guaranty, standby loan or purchase commitment, insurance policy, surety bond or financial security bond or any combination thereof that provides credit enhancement with respect to all or a portion of a Series of Bonds; provided further, however, that the term "Credit Facility" shall not include any mortgage insurance or other mortgage credit enhancement.

"Credit Facility Provider" shall mean the issuer of or obligor under a Credit Facility.

"Debt Service" shall mean, with respect to any particular Bond Year, an amount equal to the sum of (i) all interest payable on Outstanding Bonds during such Bond Year, plus (ii) any Principal Installments of such Bonds during such Bond Year; provided, however, for purposes of computing all interest payable on the Bonds Outstanding during any initial Bond Year, the amount of interest payable during the initial Bond Year for the Bonds of any particular Series of Bonds shall be deemed to be the amount of interest accruing during such initial Bond Year.

"Debt Service Fund" shall mean the fund by that name established by Section 504 of the General Resolution.

"Debt Service Reserve Fund" shall mean the fund by that name established by Section 505 of the General Resolution.

"Debt Service Reserve Fund Requirement" shall mean, as of any date of calculation, the aggregate of the amounts specified as the Debt Service Reserve Fund Requirement for each Series of Bonds in the Supplemental Resolution authorizing the issuance of a Series of Bonds; provided, however, that a Supplemental Resolution may provide that the Debt Service Reserve Fund Requirement for the Series of Bonds authorized thereunder may be funded, in whole or in part, through Cash Equivalents and such method of funding shall, to the extent of such funding, be deemed to satisfy all provisions of the General Resolution with respect to the Debt Service Reserve Fund Requirement and the amounts required to be on deposit in the Debt Service Reserve Fund.

"Defeasance Collateral" shall mean, to the extent authorized by law and by any applicable resolutions of the Agency for investment of moneys of the Agency at the time of such investment,

(i) Government Obligations that are not redeemable at the option of the issuer thereof;

(ii) (A) obligations, the timely payment of the principal and interest on which are unconditionally guaranteed by the United States government; (B) certificates of deposit of banks or trust companies secured by obligations of the United States of America of a market value equal at all times to the amount of the deposit; (C) notes, bonds, debentures, mortgages and other evidences of indebtednesses, issued or guaranteed at the time of the investment by the United States Postal Service, Fannie Mae, the Federal Home Loan Mortgage Corporation, any Federal Home Loan Bank, the Student Loan Marketing Association, the Federal Farm Credit System, Tennessee Valley Authority, or any other United States government sponsored agency; (D) notes, bonds, debentures, mortgages and other evidences of indebtedness, issued or guaranteed at the time of investment by the Asian Development Bank, Bank Nederlandse Gemeenten, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank and International Bank for Reconstruction and Development; or (E) bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state (x) which are not callable at the option of the obligor or otherwise prior to maturity or as to which irrevocable

notice has been given by the obligor to call such bonds or obligations on the date specified in the notice, and (y) timely payment of which is fully secured by a fund consisting only of cash or obligations of the character described in clause (A), (B), (C) or (D) which fund may be applied only to the payment when due of such bonds or other obligations; provided that the above-listed investments are not redeemable at the option of the issuer thereof and which shall be rated at the time of the investment in the highest long-term category by the Rating Agency;

(iii) any depository receipt issued by an Eligible Bank as custodian with respect to any Defeasance Collateral which is specified in paragraph (i) above and held by such Eligible Bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any such Defeasance Collateral which is so specified and held, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Defeasance Collateral or the specific payment of principal or interest evidenced by such depositary receipt;

(iv) any certificate of deposit specified in the definition of "Investment Obligations" below, including certificates of deposit issued by the Trustee or by an affiliate of the Trustee, secured by Defeasance Collateral specified in paragraph (i) above at a market value at least equal at all times to the amount of the deposit, which shall be rated at the time of the investment in the highest long-term rating category by the Rating Agency; or

(v) investment arrangements from providers rated, or whose parent or guarantor is rated, in the highest long-term category by the Rating Agency.

"Deferred Income and Appreciation Bonds" shall mean any non-current interest paying Bonds that, on a specified date, convert to current interest paying Bonds, as designated in the applicable Supplemental Resolution.

"Eligible Bank" shall mean any (i) bank or trust company organized under the laws of any state of the United States of America (including the Trustee and any of its affiliates), (ii) national banking association, (iii) savings bank or savings and loan association chartered or organized under the laws of any state of the United States of America, or (iv) federal branch or agency established pursuant to the International Banking Act of 1978 or any successor provisions of law, or domestic branch or agency of a foreign bank which branch or agency is duly licensed or authorized to do business under the laws of any state or territory of the United States of America.

"Fiscal Year" shall mean twelve (12) consecutive calendar months commencing with the first day of November and ending on the last day of the following October.

"Funds" shall mean the Funds (other than the Rebate Fund) created and established pursuant to the General Resolution or a Supplemental Resolution.

"General Reserve Fund" shall mean the fund by that name established by Section 506 of the General Resolution.

"Government Obligations" shall mean direct obligations of or obligations guaranteed by the United States of America, including, but not limited to, United States Treasury Obligations.

"Hedge Receipt" shall mean, if and to the extent designated as such pursuant to the Supplemental Resolution authorizing the related Qualified Hedge, the net amount required to be paid to the Agency under a Qualified Hedge.

"Interest Account" shall mean the account by that name established by paragraph (2) of Section 504 of the General Resolution.

"Interest Payment Date" shall mean any date upon which interest on the Bonds is due and payable in accordance with their terms.

"Investment Obligations" shall mean to the extent authorized by law and by any applicable resolutions of the Agency for investment of moneys of the Agency at the time of such investment,

(i) (A) Government Obligations, or (B) obligations rated in the highest rating category of the Rating Agency of any state of the United States of America or any political subdivision of such a state, payment of which is secured by an irrevocable pledge of Government Obligations;

(ii) (A) bonds, debentures or other obligations issued by Student Loan Marketing Association, Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Tennessee Valley Authority, the United States Postal Service, Federal Farm Credit System Obligations, Export Import Bank, World Bank, International Bank for Reconstruction and Development and Inter-American Development Bank; or (B) bonds, debentures or other obligations issued by Fannie Mae or by the Federal Home Loan Mortgage Corporation (excluding mortgage securities which are valued greater than par on the portion of unpaid principal or mortgage securities which represent payments of principal only or interest only with respect to the underlying mortgage loans);

(iii) obligations issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or temporary notes, preliminary loan notes or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(iv) time deposits, certificates of deposit or any other deposit with a bank, trust company, national banking association, savings bank, federal mutual savings bank, savings and loan association, federal savings and loan association or any other institution chartered or licensed by any state or the U.S. Comptroller of the Currency to accept deposits in such state (as used in the General Resolution, "deposits" shall mean obligations evidencing deposit liability which rank at least on a parity with the claims of general creditors in liquidation), which are (a) fully secured by any of the obligations described in (i) above having a market value (exclusive of accrued interest) not less than the uninsured amount of such deposit or (b) (1) unsecured or (2) secured to the extent, if any, required by the Agency and made with an institution whose unsecured debt securities are rated at least the then existing rating on the Bonds (other than Subordinate Bonds) (and the highest rating of short-term obligations) by the Rating Agency;

(v) repurchase agreements backed by or related to obligations described in (i) or (ii) above with any institution whose unsecured debt securities are rated at least the then existing rating on the Bonds (other than Subordinate Bonds) (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(vi) investment agreements, secured or unsecured as required by the Agency, with any institution whose debt securities are rated at least the then existing rating on the Bonds (other than Subordinate Bonds) (or the highest rating of short-term obligations if the investment is a short-term obligation) by the Rating Agency;

(vii) direct and general obligations of or obligations unconditionally guaranteed by the State, the payment of the principal of and interest on which the full faith and credit of the State is pledged, and certificates of participation in obligations of the State which obligation may be subject to annual appropriations, which obligations are rated at least the then existing rating on the Bonds (other than Subordinate Bonds) by the Rating Agency;

(viii) direct and general obligations of or obligations guaranteed by any state, municipality or political subdivision or agency thereof, which obligations are rated in either of the two highest rating categories of the Rating Agency;

(ix) bonds, debentures, or other obligations issued by any bank, trust company, national banking association, insurance company, corporation, government or governmental entity (foreign or domestic), provided, that such bonds, debentures or other obligations are (a) payable in any coin or currency of the United States of America which at the time of payment will be legal tender for the payment of public and private debts, and (b) rated in either of the two highest rating categories of the Rating Agency;

(x) commercial paper (having original maturities of not more than 365 days) rated in the highest category of the Rating Agency;

(xi) money market funds which invest in Government Obligations and which funds have been rated in the highest rating category by the Rating Agency; or

(xii) any investments authorized in a Supplemental Resolution authorizing a Series of Bonds rated by the Rating Agency.

Provided, that it is expressly understood that the definition of Investment Obligations shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the General Resolution by a Supplemental Resolution, thus permitting investments with different characteristics from those permitted which the Members of the Agency deem from time to time to be in the interests of the Agency to include as Investment Obligations if at the time of inclusion such inclusion will not, in and of itself, impair, or cause the Bonds to fail to retain, the then existing rating assigned to them by the Rating Agency.

"Mortgage" shall mean a mortgage or other instrument securing a Mortgage Loan.

"Mortgage Advance Amortization Payment" shall mean, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, the payment made by a Mortgagor with respect to a Project in full or partial satisfaction of its Mortgage Loan in advance of the due date or dates thereof in accordance with the provisions of the applicable Mortgage.

"Mortgage Loan" shall mean a loan, evidenced by a note, for a Project, secured by a Mortgage and specified in a Supplemental Resolution as being subject to the lien of the General Resolution; provided, that Mortgage Loan shall also mean a participation by the Agency with another party or parties, public or private, in a loan made to a Mortgagor with respect to a Project or a pool of such loans; provided, further, that Mortgage Loan shall also mean an instrument evidencing an ownership in such loans, including, but not limited to, a mortgage backed security guaranteed by the Government National Mortgage Association, the Fannie Mae or the Federal Home Loan Mortgage Corporation.

"Mortgage Note" shall mean a promissory note given by the Mortgagor to or assigned to the Agency to evidence the applicable Mortgage Loan.

"Mortgage Repayments" shall mean the amounts paid or required to be paid from time to time for principal and interest by or on behalf of a Mortgagor on a Mortgage Loan for a Project pursuant to the applicable Mortgage.

"Mortgagor" shall mean the qualified mortgagor of a Project receiving a Mortgage Loan from the Agency pursuant to the terms and provisions of a Mortgage and Mortgage Note.

"Notes" shall mean short term obligations of the Agency issued for the purpose of providing construction or other interim financing with respect to a Project.

"Notice" shall mean written notice delivered in person or sent by first class United States mail to a party at such address as the party shall direct in writing, and in the case of Holders of Bonds, at their addresses appearing on the registration books maintained by the Trustee; provided, however, that whenever Notice is to be provided pursuant to the General Resolution, notice by electronic, telephonic or other means shall be deemed sufficient provision of Notice in lieu of written notice by mail.

"Outstanding", when used with reference to Bonds, shall mean, as of any date, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, Bonds that have been delivered under the provisions of the General Resolution, except: (i) any Bonds cancelled by the Trustee at or prior to such date, (ii) Bonds for the payment or redemption of which monies equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, (iii) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article II or Section 307 or Section 1006 of the General Resolution and (iv) Bonds or portions of Bonds deemed to have been paid as provided in Section 1302 of the General Resolution.

"Parity Hedge Obligation" shall have the meaning provided in Section 214(d) of the General Resolution.

"Parity Interest" shall mean interest on Bonds, those portions of Parity Reimbursement Obligations that are related to interest payments on Parity Principal, and Parity Hedge Obligations.

"Parity Obligation" shall mean Parity Interest and Parity Principal.

"Parity Obligation Instrument" shall mean an instrument or other contractual arrangement, including Bonds, evidencing the Agency's obligation to pay the Parity Obligation.

"Parity Principal" shall mean principal of Bonds and those portions of Parity Reimbursement Obligations that are related to principal.

"Parity Reimbursement Obligation" shall have the meaning provided in Section 214(b) of the General Resolution.

"Parties" or "Party" shall mean any person(s), other than the Agency, that is a/are party(ies) to a Parity Obligation Instrument other than Bonds.

"Pledged Property" shall mean, collectively, (i) the Revenues, (ii) all Funds and Accounts established under the Resolution and monies and securities on deposit therein (including investments thereof), and (iii) any other Program Asset specified as constituting Pledged Property in a Supplemental Resolution.

"Pledged Receipts" shall mean, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, (i) Mortgage Repayments, (ii) Mortgage Advance Amortization Payments, (iii) accrued interest received at the sale of Bonds, (iv) all income earned or gain realized in excess of losses suffered on any investment or deposit of monies in the accounts established and maintained pursuant to the Resolution or a Supplemental Resolution, or monies provided by the Agency and held in trust for the benefit of the Bondholders pursuant to the Resolution, and (v) the scheduled or other payments required by or with respect to any Program Assets and paid to or to be paid to the Agency from any source, but shall not mean or include Recovery Payments, any payments with respect to any Mortgage Loan received prior to the date that Revenues therefrom are pledged under the General Resolution, late charges, administrative fees, if any, of the Agency, escrow payments or any amount retained by the servicer (which may include the Agency) of any Mortgage Loan, as financing, servicing, extension or settlement fees.

"Principal" or "principal" shall mean (i) as such term references the principal amount of any Capital Appreciation Bonds or Deferred Income and Appreciation Bonds, the Accreted Amount thereof (the excess of the stated maturity amount of a Capital Appreciation Bond or Deferred Income and Appreciation Bond above the Accreted Amount thereof being deemed unearned interest on such Bond), except as used in the General Resolution in connection with the authorization and issuance of Bonds and in the order of priority of payments on Bonds after default, in which cases the term "principal" shall mean the initial public sale price of a Capital Appreciation Bond or Deferred Income and Appreciation Bond, and the difference between the Accreted Amount of such Capital Appreciation Bond or Deferred Income and Appreciation Bond and the initial public

sale price thereof shall be deemed to be interest, and (ii) as such term references the principal amount of any other Bond, the principal amount at maturity of such Bond. References in the General Resolution to "principal" with respect to Bonds means Parity Principal.

"Principal Account" shall mean the account by that name established by paragraph (3) of Section 504 of the General Resolution.

"Principal Installment" shall mean, as of any date of calculation, (i) the aggregate principal amount of Outstanding Bonds due on a certain future date, reduced by the aggregate principal amount of such Bonds that would be retired by reason of the payment when due and application in accordance with the General Resolution of Sinking Fund Payments payable before such future date plus (ii) the unsatisfied balance, determined in accordance with Section 504(4) of the General Resolution, of any Sinking Fund Payments due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Payments in a principal amount equal to said unsatisfied balance.

"Program" shall mean the financing of Program Assets under the General Resolution.

"Program Asset" shall mean any asset of the Agency that is specified in a Supplemental Resolution and pursuant to or with respect to which Pledged Receipts are paid or to be paid to or for the account of the Agency, including, without limitation, a Mortgage Loan.

"Project" shall mean any multi-family housing project or other facility financeable by the Agency under the Act or other applicable law and approved by the Agency.

"Qualified Hedge" shall mean, to the extent from time to time permitted by law, any financial arrangement (i) which is entered into by the Agency with an entity that is a Qualified Hedge Provider at the time the arrangement is entered into; (ii) which is a cap, floor or collar; forward rate; future rate; swap (such swap may be based on an amount equal either to a principal amount of Bonds or Program Assets as set forth in the authorizing Supplemental Resolution); asset, index, price or market-linked transaction or agreement; other exchange or rate protection transaction agreement; other similar transaction (however designated); or any combination thereof; or any option with respect thereto; or any similar arrangement; (iii) which is executed by the Agency for the purpose of debt management, including managing interest rate fluctuations on Bonds and/or Program Assets, but not for purposes of speculation, after the Agency has analyzed applicable risks and benefits of the Qualified Hedge; and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Hedge.

"Qualified Hedge Provider" shall mean an entity (a) whose senior long term obligations, other senior unsecured long term obligations, financial program rating, counterparty rating, or claims paying ability, at the time of entering into the related Qualified Hedge, are rated in the two highest rating categories by the Rating Agency, or whose payment obligations under a Qualified Hedge are guaranteed by an entity whose senior long-term debt obligations, other senior unsecured long-term obligations, financial program rating, counterparty rating, or claims paying ability are rated in the two highest rating categories by the Rating Agency, or (b) whose payment obligations under the related Qualified Hedge are secured by a collateral agreement that, at the time of entering into the collateral agreement, is rated, or the entity's (or a guarantor of the entity's) obligations under the collateral agreement are rated, in the two highest rating categories by the Rating Agency; provided, that it is expressly understood that the definition of Qualified Hedge Provider shall be, and be deemed to be, expanded, or new definitions and related provisions shall be added to the General Resolution by a Supplemental Resolution, thus permitting hedge providers with different characteristics from those permitted pursuant to (a) and (b) which the Agency deems from time to time to be in the interests of the Agency to include as Qualified Hedge Providers if at the time of inclusion there is delivered to the Trustee a Rating Confirmation regarding such inclusion.

"Rating Agency" shall mean, collectively, Moody's Investors Service or any successor thereto when the Bonds are rated by Moody's pursuant to a request for a rating by the Agency and any other nationally

recognized rating agency when the Bonds are rated by such agency pursuant to a request for a rating by the Agency.

"Rating Confirmation" shall mean, with respect to a proposed action, a written confirmation from the Rating Agency to the effect that such action will not cause the Rating Agency to lower, suspend or withdraw the rating then assigned by the Rating Agency to any Bonds (other than Subordinate Bonds) without regard to any Credit Facilities securing any such Bonds.

"Rebate Amount" shall mean, with respect to a Series of Bonds, the amount, if any, required to be deposited in the Rebate Fund in order to comply with the tax covenants contained in the Supplemental Resolution authorizing the issuance of such Series Bonds.

"Rebate Fund" shall mean the fund by that name established by Section 507 of the General Resolution.

"Record Date" with respect to the 2014 Bonds shall mean the fifteenth day of the calendar month preceding each payment of principal or the Redemption Price of, or interest on, the 2014 Bonds.

"Recovery Payments" shall mean, except as otherwise provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, monies received by the Agency with respect to Projects from (i) proceedings taken by the Agency in the event of the default by a Mortgagor, including the sale, assignment or other disposition of the Mortgage Loan or the Project or the proceeds of any mortgage insurance or credit enhancement with respect to a Mortgage Loan which is in default or (ii) the condemnation of a Project or any part thereof or from hazard insurance payable with respect to the damage or destruction of a Project and that are not applied to the repair or reconstruction of such Project.

"Redemption Account" shall mean the account by that name established by paragraph (5) of Section 504 of the General Resolution.

"Redemption Date" means the date or dates upon which Bonds are to be called for redemption pursuant to the General Resolution.

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof.

"Refunding Issue" shall mean all Bonds delivered pursuant to Section 203 of the General Resolution.

"Reimbursement Obligation" shall have the meaning provided in Section 214(b) of the General Resolution.

"Resolution" shall mean the General Resolution as from time to time amended or supplemented by Supplemental Resolutions in accordance with the terms and provisions thereof.

"Revenue Fund" shall mean the fund by that name established by Section 503 of the General Resolution.

"Revenues" shall mean the Pledged Receipts, Recovery Payments, and Hedge Receipts and Termination Receipts.

"Serial Bonds" shall mean Bonds which mature in semi-annual or annual installments of principal, which need not be equal.

"Series of Bonds", "Series" or "Bonds of a Series" shall mean the Series of Bonds authorized by a Supplemental Resolution.

"Series Agency Expense Amounts" shall mean the amount, if any, set forth or described in the Supplemental Resolution authorizing a Series of Bonds as the expenses the Agency projects that it will incur in connection with the Series of Bonds authorized by such Supplemental Resolution (as the same may be decreased or increased by written notice from the Agency to the Trustee, accompanied, with respect to any such increase, by a Cash Flow Statement), including, but not limited to, administrative costs related to the General Resolution, remarketing fees, broker-dealer fees, fees of the entities providing investments for amounts on deposit in the Funds and Accounts, Trustee fees, and any other expenses of operating the Program.

"Sinking Fund Account" shall mean the account by that name established by paragraph (4) of Section 504 of the General Resolution.

"Sinking Fund Payment" shall mean, with respect to a particular Series, as of any particular date of calculation, the amount required to be paid at all events by the Agency on a single future date for the retirement of Outstanding Bonds that mature after said future date, but does not include any amount payable by the Agency by reason of the maturity of a Bond or by call for redemption at the election of the Agency.

"SONYMA Reduction Payment" shall mean a prepayment made by a Mortgagor with respect to a Project in partial satisfaction of the applicable Mortgage Loan in advance of the due date in an amount equal to (i) in the case of a Mortgage Loan that is not insured by SONYMA as of the date such Mortgage Loan is made, the difference (rounded up to the nearest integral multiple of $5,000) between the principal amount of such Mortgage Loan in the related commitment to issue SONYMA Insurance and the principal amount insured by SONYMA in the event that SONYMA issues the SONYMA Insurance for such Project in an amount that is less than such amount set forth in such commitment or (ii) in the case of a Mortgage Loan that is insured by SONYMA as of the date such Mortgage Loan is made, the amount (rounded up to the nearest integral multiple of $5,000) equal to the principal amount of such Mortgage Loan prepaid by the Mortgagor thereof in order to satisfy the conditions to convert such Mortgage Loan from a "construction loan" to a "permanent loan." SONYMA Reduction Payments shall constitute Mortgage Advance Amortization Payments.

"State" shall mean the State of New York.

"Subordinate Bonds" shall mean any Bonds which, pursuant to the Supplemental Resolution authorizing such Bonds, are secured by a subordinate charge and lien on the Pledged Property.

"Subordinated Contract Obligation" shall mean any payment obligation of the Agency (other than a payment obligation constituting a Parity Obligation) arising under (a) any agreement with respect to a Credit Facility which has been designated as constituting a "Subordinated Contract Obligation" pursuant to the Supplemental Resolution authorizing the Series of Bonds to which such Credit Facility relates, (b) any Qualified Hedge, or portion of a Qualified Hedge, which has been designated as constituting a "Subordinated Contract Obligation" pursuant to the Supplemental Resolution authorizing the Series of Bonds to which such Qualified Hedge relates, (c) any Subordinate Bonds and (d) any other contract, agreement or other obligation authorized by a Supplemental Resolution and designated as constituting a "Subordinated Contract Obligation" in such authorizing Supplemental Resolution. Each Subordinated Contract Obligation shall be payable from the Revenues and funds and accounts established under the General Resolution subject and subordinate to the payments to be made with respect to Parity Obligations, and shall be secured by a subordinate lien on and pledge of the Revenues and such funds and accounts, all as set forth in the General Resolution or in the related Supplemental Resolution.

"Supplemental Resolution" shall mean a resolution supplemental to or amendatory of the General Resolution, adopted by the Agency in accordance with Article IX of the General Resolution.

"Term Bonds" shall mean Bonds not constituting Serial Bonds.

"Termination Payment" shall mean, with respect to a Qualified Hedge, an amount required to be paid by the Agency to a Qualified Hedge Provider as a result of the termination in advance of the stated termination date or scheduled reduction of the related Qualified Hedge or required to be paid by the Agency into a

collateral account as a source of payment of any termination payments, provided that Termination Payments shall always be Subordinated Contract Obligations.

"Termination Receipt" shall mean an amount required to be paid to the Agency under a Qualified Hedge by the Qualified Hedge Provider as a result of the termination in advance of the stated termination date or scheduled reduction of such a Qualified Hedge.

"Trustee" shall mean the commercial bank, trust company, or national banking association appointed pursuant to Section 701 of the General Resolution to act as trustee under the Resolution, and its successor or successors and any other commercial bank, trust company, or national banking association at any time substituted in its place pursuant to the General Resolution.

"Voluntary Sale Proceeds" shall mean proceeds of the sale, assignment or other disposition of a Mortgage Loan (other than a sale, assignment or other disposition made when, in the sole judgment of the Agency, such Mortgage Loan is in default).

EXHIBIT B

SUMMARY OF CERTAIN PROVISIONS OF THE GENERAL RESOLUTION

Provisions for Issuance of Bonds

In order to provide sufficient funds for financing the Agency Corporate Purposes, the General Resolution establishes and creates an issue of Bonds of the Agency to be known and designated as "Affordable Housing Revenue Bonds". Said Bonds may be issued as provided in the General Resolution without limitation as to amount except as provided in the General Resolution or as may be limited by law. The General Resolution creates, in the manner and to the extent provided therein, a continuing pledge and lien on the Revenues and assets pledged thereunder to secure the full and final payment of Parity Obligation Instruments, including the principal and Redemption Price of and Sinking Fund Payments and interest on all of the Bonds issued pursuant to the General Resolution. The Bonds shall be special revenue obligations of the Agency payable only from the funds and accounts established under the General Resolution. The Parity Obligation Instruments, other than the Bonds, shall be special revenue obligations of the Agency payable only from the funds and accounts established under the General Resolution, unless and to the extent otherwise provided with respect to any Parity Obligation Instrument in the terms of such Parity Obligation Instrument. The Subordinated Contract Obligations, other than the Subordinate Bonds, shall be special revenue obligations of the Agency payable only from the funds and accounts established under the General Resolution, unless and to the extent otherwise provided with respect to any Subordinated Contract Obligation in the terms of such Subordinated Contract Obligation. The State of New York shall not be liable on the Bonds and the Bonds shall not be a debt of the State of New York, and the Bonds shall contain on the face thereof a statement to such effect. The State of New York shall not be liable on any other Parity Obligation Instruments and such Parity Obligation Instruments shall not be a debt of the State of New York.

The issuance of the Bonds shall be authorized by a Supplemental Resolution or Supplemental Resolutions of the Agency adopted subsequent to the General Resolution and the Bonds may be issued in one or more Series, but only upon the receipt by the Trustee of:

(1) A Bond Counsel's Opinion to the effect that (i) the General Resolution and the Supplemental Resolution have been duly adopted by the Agency and are in full force and effect and are valid and binding upon the Agency and enforceable in accordance with their terms (except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights and remedies and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)); (ii) the General Resolution and such Supplemental Resolution create the valid pledge and lien which they purport to create of and on the Pledged Property, subject to the use and application thereof for or to the purposes and on the terms and conditions permitted by the General Resolution and such Supplemental Resolution; and (iii) upon the execution, authentication and delivery thereof, such Bonds will have been duly and validly authorized and issued in accordance with the laws of the State, including the Act as amended to the date of such Bond Counsel's Opinion, and in accordance with the General Resolution and such Supplemental Resolution;

(2) A Rating Confirmation and a Cash Flow Statement or Cash Flow Certificate pursuant to the General Resolution regarding the issuance of such Series of Bonds;

(3) A written order as to the delivery of such Bonds, signed by an Authorized Officer; and

(4) Such further documents and monies as are required by the provisions of the General Resolution or any Supplemental Resolution.

Refunding Bonds

Bonds of one or more Series (called "Refunding Issue") may be issued and delivered, subject to the conditions provided in the General Resolution, for the purpose of providing funds, with any other available funds, for (i) redeeming (or purchasing in lieu of redemption) prior to their maturity or maturities, or retiring at their maturity or maturities, all or any part of the Outstanding Bonds of any Series, including the payment of any redemption premium thereon (or premium, to the extent permitted by law, included in the purchase price, if purchased in lieu of redemption), (ii) making any required deposits to the Debt Service Reserve Fund, (iii) if deemed necessary by the Agency, for paying the interest to accrue on the refunding Bonds or refunded Bonds to the date fixed for their redemption (or purchase) and (iv) paying any expenses in connection with such refunding. All Bonds of a Refunding Issue of each Series shall be executed by the Agency for issuance under the General Resolution and delivered to the Trustee and by it delivered to the Agency or upon its order, but only upon the receipt by the Trustee of:

(1) The documents specified under the heading "Provisions for Issuance of Bonds";

(2) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Bonds to be refunded on a redemption date or dates specified in such instructions;

(3) If the Bonds to be refunded are not by their terms subject to redemption within the next succeeding 60 days, irrevocable instructions to the Trustee, satisfactory to it, to give the notice provided for in the General Resolution to the Holders of the Bonds being refunded; and

(4) Either (i) monies in an amount sufficient to effect payment at the applicable Redemption Price of the principal amount of the Bonds to be refunded, together with accrued interest on such Bonds to the redemption date, which monies shall be held by the Trustee in a separate account irrevocably in trust for and assigned to the respective Holders of the Bonds to be refunded, or (ii) Investment Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of the General Resolution and any monies required pursuant to the General Resolution, which Investment Obligations and monies shall be held in trust and used only as provided in the General Resolution.

Deposits and Investments

(1) Upon direction of the Agency, confirmed in writing by an Authorized Officer, monies in the Funds and Accounts established pursuant to the General Resolution shall be invested by the Trustee in Investment Obligations so that the maturity date or date of redemption at par at the option of the holder of such Investment Obligations shall coincide, as nearly as practicable, with, but in no event later than, the times at which monies in said Funds or Accounts will be required for the purposes in the General Resolution provided.

(2) Obligations purchased as an investment of monies in any Fund or Account held by the Trustee under the provisions of the General Resolution shall be deemed at all times to be a part of such Fund or Account and the income or interest earned by, or increment to, a Fund or Account due to the investment thereof or an amount equal to such interest or increment thereto (except as provided in the General Resolution) shall be transferred by the Trustee upon direction of the Agency confirmed in writing by an Authorized Officer to the Revenue Fund as earned, provided that with respect to the Debt Service Reserve Fund such transfer complies with clause (3) under "Debt Service Reserve Fund" below. Notwithstanding the forgoing, earnings on all Funds and Accounts required to be deposited in the Rebate Fund shall be deposited in the Rebate Fund as provided in the General Resolution.

(3) Upon receipt of requisitions from the Agency pursuant to the General Resolution evidencing the transfer on the books of the Agency of amounts from the Construction Financing Account to the Capitalized Construction Interest Sub-Account for the purpose of paying interest on a Mortgage Loan during

the period of construction of the Project being financed, the Trustee shall segregate such amounts within the Construction Financing Account without the requirement that such amounts be deposited in the Revenue Fund and such amounts shall be deemed to be advanced under such Mortgage, provided that such amounts so segregated are transferred to the Revenue Fund on or before the date required for the transfer pursuant to the General Resolution.

(4) In computing the amount in any Fund or Account held by the Trustee under the provisions of the General Resolution, other than the Debt Service Reserve Fund and the General Reserve Fund, obligations purchased as an investment of monies therein shall be valued (on each Interest Payment Date) at par if purchased at par, or at their Amortized Value if purchased at other than par; and investment of monies pursuant to paragraph (2) of this Section shall be valued at par. All investments in the Debt Service Reserve Fund and the General Reserve Fund shall be valued at the lesser of par or Amortized Value .

(5) The Trustee shall sell at the best price obtainable by the Trustee, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide monies to meet any payment or transfer from the Fund or Account for which such investment was made except that in the case of investment arrangements involving Investment Obligations or other obligations, the Trustee shall sell such obligations in accordance with the terms of said investment arrangements. Notwithstanding the foregoing, the Trustee, whenever it is required to sell any investment held in the Debt Service Reserve Fund, shall sell such investments as shall be designated by the written direction of the Agency. The Trustee shall advise the Agency in writing, on or before the twentieth day of each calendar month, of the details of all investments held for the credit of each Fund and Account in its custody under the provisions of the General Resolution as of the end of the preceding month.

(6) To the extent permitted by law, the Trustee may commingle any amounts on deposit in the Funds and Accounts held under the General Resolution for the purpose of purchasing Investment Obligations. However, the Trustee shall maintain and keep separate accounts of such Accounts at all times.

Upon receipt of written instructions from an Authorized Officer, the Trustee shall exchange any coin or currency of the United States of America or Investment Obligations held by it pursuant to the General Resolution or any Supplemental Resolution for any other coin or currency of the United States of America or Investment Obligations of like amount.

Establishment of Accounts

The General Resolution establishes the following special trust accounts to be held and maintained by the Trustee in accordance with the General Resolution:

(1) Bond Proceeds Account

(2) Construction Financing Account

(3) Revenue Fund

(4) Debt Service Fund

Interest Account

Principal Account

Sinking Fund Account

Redemption Account

(5) Debt Service Reserve Fund

(6) Rebate Fund

(7) General Reserve Fund

(8) Special Loan Fund

Bond Proceeds Account

(1) Upon the issuance, sale and delivery of any Series of Bonds pursuant to the General Resolution, the Agency shall establish on the books of the Agency a separate sub-account designated "....Series.... Affordable Housing Bond Proceeds Account" (inserting therein the appropriate series and other necessary designation). The Trustee shall provide for the payment into such Bond Proceeds Account of the amount of the proceeds derived from the sale of such Series of Bonds designated by such Supplemental Resolution to be deposited in such Bond Proceeds Account for disbursement in accordance with the provisions of the General Resolution to finance one or more of the Agency Corporate Purposes, including, without limitation, (i) to fund Mortgage Loans for Projects (which may include the refinancing of outstanding mortgage loans for Projects) through deposits to the Construction Financing Account, (ii) to fund or acquire any other Program Assets, (iii) to pay, purchase or redeem bonds, notes or other obligations of the Agency or any other entity in accordance with the following paragraph, (iv) to pay a portion of the purchase price of Investment Obligations to be held by the Trustee pursuant to the provisions of the General Resolution, or (v) if so provided in a Supplemental Resolution, to reimburse a Credit Facility Provider for amounts obtained under a Credit Facility for the purposes described in clause (iii) of this paragraph.

(2) If so provided in a Supplemental Resolution authorizing the issuance of a Series of Bonds, the Agency may direct the Trustee in writing to transfer amounts in the Bond Proceeds Account to fund the payment, purchase or redemption of bonds, notes or other obligations, which may include interest thereon, theretofore issued by the Agency or any other entity upon receipt by the Trustee of a written requisition setting forth (i) the issue of bonds, notes or other obligations with respect to which the transfer is to be made, and (ii) the amount of the transfer. Subject to the General Resolution, earnings then remaining on deposit in the applicable Note account of the Agency relating to the Projects with respect to which such application was made shall, as directed by the Agency, be transferred to the Trustee for deposit into the Revenue Fund.

Revenue Fund

(1) Except as otherwise provided in the General Resolution or in a Supplemental Resolution authorizing the issuance of a Series of Bonds, all Revenues held or collected by the Agency or the Trustee shall be deposited upon receipt in the Revenue Fund. There shall also be transferred to and deposited in the Revenue Fund any other amounts required to be deposited therein pursuant to the General Resolution and any Supplemental Resolution. The proceeds received by the Agency from a Mortgage Advance Amortization Payment or from the sale of a Mortgage or from Recovery Payments (after making any necessary reimbursements to the Debt Service Reserve Fund including the repurchase of Investment Obligations credited thereto) shall be transferred to the Redemption Account; provided, however, that, except as set forth in a Supplemental Resolution authorizing the issuance of a Series of Bonds, in lieu of such transfer to the Redemption Account, the Agency may, upon filing a Cash Flow Statement, direct the Trustee to transfer all or a portion of such amounts to the Bond Proceeds Account or to retain such amounts in the Revenue Fund. All other monies and the proceeds of sale of securities from time to time in the Revenue Fund shall be paid out and applied for the uses and purposes for which the same are pledged by the provisions of the General Resolution, in the manner provided in the General Resolution.

(2) (a) On or before each Interest Payment Date on the Bonds, the Trustee shall withdraw from the Revenue Fund and deposit to the credit of the Interest Account in the Debt Service Fund an amount

which, when added to the amount then on deposit in the Interest Account, will on such Interest Payment Date be equal to the installment of the interest on the Bonds, plus any other Parity Interest, then falling due.

(b) On or before each principal payment date on the Bonds, the Trustee shall withdraw from the Revenue Fund and deposit to the credit of the following Accounts in the Debt Service Fund the following amounts in the following order:

(i) First, to the Principal Account an amount which, when added to the amount then on deposit in the Principal Account, will on such date be equal to the amount of the principal of the Bonds then falling due, plus the amount related to Parity Principal that is not already included in this paragraph (i) or in the following paragraph (ii).

(ii) Second, to the Sinking Fund Account an amount which, when added to the amount then on deposit in the Sinking Fund Account will on such date be equal to the amount of the unpaid Sinking Fund Payments then falling due, plus the amount related to Parity Principal that is not already included in this paragraph (ii).

(3) On or before each Interest Payment Date, after providing for all payments into the Debt Service Fund pursuant to paragraph (2) above, the Trustee shall withdraw from the Revenue Fund and deposit in the Debt Service Reserve Fund such amount (or the balance of the monies so remaining in the Revenue Fund if less than the required amount) as shall be required to restore the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement.

(4) On or before each Interest Payment Date, after providing for all payments required to be made into the Debt Service Fund pursuant to paragraph (2) above and into the Debt Service Reserve Fund pursuant to paragraph (3) above, the Trustee shall withdraw from the Revenue Fund and pay to the Agency, free and clear of the lien and pledge of the General Resolution, the amount (or the balance of the monies so remaining in the Revenue Fund if less than the required amount) of Agency Expenses that have not previously been paid or reimbursed to the Agency pursuant to the terms of this paragraph (4).

(5) On or before each Interest Payment Date, after providing for all payments required to be made into the Debt Service Fund pursuant to paragraph (2) above, into the Debt Service Reserve Fund pursuant to paragraph (3) above and to the Agency pursuant to paragraph (4) above, the Trustee shall withdraw from the Revenue Fund and deposit to the credit of, or transfer to, the General Reserve Fund, the balance of the monies then on deposit in the Revenue Fund provided, however, that the monies, if any, required to be deposited or maintained in the Revenue Fund pursuant to the applicable Supplemental Resolution shall be maintained in the Revenue Fund until applied for the purposes provided in such Supplemental Resolution.

(6) Notwithstanding the foregoing, a Supplemental Resolution authorizing Subordinated Contract Obligations may provide that prior to amounts being deposited into the General Reserve Fund pursuant to paragraph (5) above, deposits or transfers relating to the payment of such Subordinated Contract Obligations shall be made.

(7) Notwithstanding any provision of the General Resolution to the contrary, in the event that a Mortgage Loan is secured by a letter of credit or other credit enhancement (including, without limitation, mortgage insurance), a Supplemental Resolution authorizing a Series of Bonds relating to such Mortgage Loan may provide that amounts obtained under such letter of credit or other credit enhancement are to be used to make the payments of interest on, and/or principal and Redemption Price of, the Bonds of such Series, and that amounts in the Revenue Fund and/or other Funds and Accounts that are derived from such Mortgage Loan, which would have otherwise been used to make such payments, shall be applied to reimburse the issuer of such letter of credit or other credit enhancement for the amounts so obtained, all in accordance with such Supplemental Resolution.

Redemption Account

Any monies deposited into the Redemption Account pursuant to the paragraph (1) under the heading "Revenue Fund" above shall be applied to the purchase or retirement of the Bonds of the Series in respect of which such monies were directly or indirectly derived, as designated by a Certificate of an Authorized Officer, such Bonds to be purchased or retired such that the portion of each maturity of, or Sinking Fund Payment on, Bonds of the applicable Series to be purchased or retired from such monies shall be determined by multiplying the outstanding principal amount of such Bonds of such maturity, or corresponding to such Sinking Fund Payment, by a fraction (i) the numerator of which is (A) the principal amount of the applicable Mortgage Loan becoming due in such year multiplied by (B) the amount of such monies to be applied to such purchase or retirement divided by (C) the total unpaid principal balance of such Mortgage Loan, and (ii) the denominator of which is the aggregate amount of principal payments scheduled to be made under all Mortgage Loans relating to such Series in such year; provided that, except as set forth in a Supplemental Resolution authorizing the issuance of a Series of Bonds, in lieu of the foregoing, the Agency may, upon filing a Cash Flow Statement direct that such amounts be applied to the purchase or retirement of one or more different Series of Bonds or that such purchase or retirement not be effected on the foregoing basis.

The Trustee shall, to the extent provided in such Certificate, promptly apply such monies to the purchase of Bonds of the designated Series of the maturities specified in a Certificate of an Authorized Officer at the most advantageous price obtainable by the Trustee with reasonable diligence, whether or not such Bonds shall then be subject to redemption, such price, however, not to exceed the Redemption Price which would be payable on the next ensuing date on which the Bonds of the designated Series so purchased are redeemable at the option of the Agency according to their terms; and provided further, however, that, to the extent permitted by law, the purchase of any Bonds pursuant to this heading may be at prices exceeding the Redemption Price which would be payable on the next ensuing date on which the Bonds of the designated Series so purchased are redeemable at the option of the Agency according to their terms if the Agency shall have filed with the Trustee a Cash Flow Statement pursuant to the General Resolution. To the extent specified in written directions from the Agency, the Trustee shall pay the interest accrued on the Bonds so purchased to the settlement date thereof to the Trustee from the Revenue Fund. The balance of such purchase price shall be paid from the Redemption Account but no such purchase shall be made by the Trustee within the period of forty-five (45) days next preceding a date on which such Bonds are subject to redemption under the provisions of the Supplemental Resolution authorizing the issuance thereof.

The provisions of the preceding two paragraphs to the contrary notwithstanding, if, pursuant to a Supplemental Resolution, amounts obtained under a letter of credit or other credit enhancement are to be used to make purchases referred to in either of those paragraphs, then amounts in the Redemption Account that would have otherwise been used to make such purchases may be applied to reimburse the issuer of such letter of credit or other credit enhancement for the amounts so obtained, all in accordance with such Supplemental Resolution.

In the event the Trustee is unable to purchase Bonds of a Series in accordance with and under the foregoing provisions of this paragraph, the Trustee shall, to the extent provided in such Certificate, call for redemption on the next redemption date applicable to the redemption of Bonds such amount of Bonds of such Series of the maturities specified in a Certificate of an Authorized Officer as will exhaust said amount as nearly as may be. Such redemption shall be made pursuant to the provisions of the General Resolution. To the extent specified in written directions from the Agency, the Trustee shall pay the interest accrued on the Bonds so redeemed to the date of such redemption from the Revenue Fund. Such accrued interest, to the extent not paid from the Revenue Fund and the Redemption Price shall be paid from the Redemption Account.

In the event that monies in the Redemption Account are, pursuant to a Certificate of an Authorized Officer, to be invested in Investment Obligations prior to the application thereof as aforesaid, the Trustee shall transfer such portion of the maturing principal amount of such Investment Obligations as represents the

investment income earned on such Investment Obligations to the Revenue Fund at the times and in the amounts specified in such Certificate.

Debt Service Reserve Fund

(1) The General Resolution creates and establishes a "Debt Service Reserve Fund" which shall be held by the Trustee. The Agency obligates and binds itself irrevocably to pay, or cause to be paid, an amount equal to the Debt Service Reserve Fund Requirement. The Trustee shall deposit in and credit to the Debt Service Reserve Fund all monies transferred from the Revenue Fund pursuant to the provisions of paragraph (3) under the heading "Revenue Fund".

(2) Monies and securities held for the credit of the Debt Service Reserve Fund shall be transferred by the Trustee to the Debt Service Fund at the times and in the amounts required to comply with the provisions of the General Resolution. All such transfers shall be made on a timely basis in order to meet the payment requirements set forth in the General Resolution.

(3) Any income or interest earned by, or increment to, the Debt Service Reserve Fund due to the investment thereof, shall, upon written direction of an Authorized Officer, be transferred as earned by the Trustee to the Revenue Fund, but only to the extent that any such transfer will not reduce the amount of the Debt Service Reserve Fund below the Debt Service Reserve Fund Requirement. If, at any time, the monies and securities in the Debt Service Reserve Fund are in excess of the Debt Service Reserve Fund Requirement, and the use or transfer of such excess is not otherwise provided for in the General Resolution, the Trustee, upon the written request of the Agency, shall transfer such excess to and deposit the same in the Revenue Fund.

General Reserve Fund

The General Resolution creates and establishes a "General Reserve Fund" which shall be held by the Trustee and into which shall be deposited monies withdrawn from the Revenue Fund pursuant to paragraph (5) of under the caption "Revenue Fund" herein and any other monies provided for deposit therein pursuant to a Supplemental Resolution or a written direction of the Agency. Monies at any time held in the General Reserve Fund shall be applied at the direction of the Agency to any lawful use by the Agency; provided that such direction shall be consistent with the most recent Cash Flow Statement or be accompanied by a new or amended Cash Flow Statement, except with respect to transfers to the Rebate Fund or the Debt Service Reserve Fund, which may be made at the direction of the Agency whether or nor consistent with a Cash Flow Statement. Except to the extent otherwise provided in the applicable Supplemental Resolution, the application of amounts on deposit in the General Reserve Fund to any lawful use by the Agency permitted by this paragraph shall only be made if the amounts on deposit in the Debt Service Reserve Fund when valued at the lesser of par or Amortized Value, are at least equal to the Debt Service Reserve Fund Requirement. Any income or interest earned by, or increment to, the General Reserve Fund due to the investment thereof shall be retained in said Fund.

Special Loan Fund

(1) The General Resolution creates and establishes a "Special Loan Fund", which shall be held by the Trustee and into which shall be deposited any monies provided for deposit therein pursuant to a Supplemental Resolution or a written direction of the Agency. The Special Loan Fund and the monies and securities on deposit therein shall constitute Pledged Property. Monies at any time held in the Special Loan Fund shall be applied at the direction of the Agency to any lawful use by the Agency without any requirement that such direction or use be consistent with any Cash Flow Statement or be accompanied by a new or amended Cash Flow Statement. Any income or interest earned by, or increment to, the Special Loan Fund due to the investment thereof shall be retained in the Special Loan Fund.

(2) If monies in the Special Loan Fund are applied to the funding or acquisition of any mortgage loan for a Project, the Agency shall notify the Trustee thereof and the mortgage securing, and the mortgage note evidencing, such mortgage loan shall constitute Pledged Property; provided, however, that (i) such mortgage loan shall not be deemed to constitute an investment of monies in the Special Loan Fund or a Mortgage Loan, and (ii) the scheduled or other payments required by or with respect to such mortgage loan, and any prepayments of such mortgage loan, shall be deposited in the Special Loan Fund as Pledged Property but shall not be deemed to constitute Pledged Receipts.

(3) The provisions of the General Resolution to the contrary notwithstanding, neither the Special Loan Fund, nor the monies and securities on deposit therein, nor any mortgage loans or other assets acquired or made by or for the benefit of the Agency with monies withdrawn from the Special Loan Fund, shall be included or otherwise reflected in any Cash Flow Statement to be filed by the Agency.

Rebate Fund

(1) The General Resolution establishes the Rebate Fund as a special trust account to be held and maintained by the Trustee. All monies, including earnings on amounts deposited therein, deposited or to be deposited in the Rebate Fund shall be held in trust and applied only in accordance with the provisions of the General Resolution, any applicable Supplemental Resolution, the Act and other applicable law.

(2) The Rebate Fund and the amounts deposited therein shall not be subject to a security interest, pledge, assignment, lien or charge in favor of the Trustee or any Bondholder or any other person other than as set forth in the General Resolution.

(3) The Trustee, upon the receipt of a certification of the Rebate Amount from an Authorized Officer, shall deposit in the Rebate Fund at least as frequently as the end of each fifth Bond Year and at the time that the last Bond that is part of the Series for which a Rebate Amount is required is discharged, an amount such that the amount held in the Rebate Fund after such deposit is equal to the Rebate Amount calculated as of such time of calculation. The amount deposited in the Rebate Fund pursuant to the previous sentence shall be deposited from amounts withdrawn from the General Reserve Fund, and to the extent such amounts are not available in the General Reserve Fund, directly from earnings on the Funds and Accounts under the General Resolution.

(4) Amounts on deposit in the Rebate Fund shall be invested in the same manner as amounts on deposit in the Funds and Accounts, except as otherwise specified by an Authorized Officer to the extent necessary to comply with any tax covenants in a Supplemental Resolution authorizing a Series of Bonds, and except that the income or interest earned and gains realized in excess of losses suffered by the Rebate Fund due to the investment thereof shall be deposited in or credited to the Rebate Fund from time to time and reinvested.

(5) In the event that, on any date of calculation of the Rebate Amount, the amount on deposit in the Rebate Fund exceeds the Rebate Amount, the Trustee, upon the receipt of written instructions from an Authorized Officer, shall withdraw such excess amount and deposit it in the Revenue Fund.

(6) The Trustee, upon the receipt of written instructions and certification of the Rebate Amount from an Authorized Officer, shall pay to the United States, out of amounts in the Rebate Fund, (i) not less frequently than once each five (5) years after the date of original issuance of each Series for which a Rebate Amount is required, an amount such that, together with prior amounts paid to the United States, the total paid to the United States is equal to 90% of the Rebate Amount with respect to each Series for which a Rebate Amount is required as of the date of such payment, and (ii) notwithstanding the provisions of the General Resolution, not later than sixty (60) days after the date on which all Bonds of a Series for which a Rebate Amount is required have been paid in full, 100% of the Rebate Amount as of the date of payment.

Resignation of Trustee

The Trustee may at any time resign and be discharged of the duties and obligations created by the General Resolution by giving not less than sixty (60) days' written notice to the Agency and publishing notice thereof, specifying the date when such resignation shall take effect, once in an Authorized Newspaper, and such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in the General Resolution, in which event such resignation shall take effect immediately on the appointment of such successor, provided that such resignation shall not take effect unless and until a successor shall have been appointed.

Removal of Trustee

The Trustee shall be removed by the Agency if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Agency, and signed by the Holders of a majority in principal amount of the Bonds (other than Subordinate Bonds) then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Agency. The Agency may also remove the Trustee at any time, except during the existence of an event of default as defined under the heading "Events of Default" hereof, for cause or breach of trust or for acting or proceeding in violation of, or failing to act or proceed in accordance with any provision of the General Resolution with respect to the duties and obligations of the Trustee by filing with the Trustee an instrument signed by an Authorized Officer. A copy of each such instrument providing for any such removal shall be delivered by the Agency to any Bondholder who shall have filed his name and address with the Agency for such purpose.

Appointment of Successor Trustee

In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee, or of its property or affairs, the Agency covenants and agrees that it will thereupon appoint a successor Trustee. The Agency shall publish notice of any such appointment made by it in an Authorized Newspaper, such publication to be made within twenty (20) days after such appointment.

If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Agency written notice, as provided in the General Resolution or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or the Holder of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of the General Resolution in succession to the Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association, doing business and having its principal office in the State of New York, and having a capital and surplus aggregating at least Seventy Five Million Dollars ($75,000,000) if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the General Resolution.

Merger, Conversion or Consolidation

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Trustee without the execution or filing of any paper or the performance of any further act, provided that such company shall be a bank or trust company organized under the laws of

the State of New York or a national banking association, and having a capital and surplus aggregating at least Seventy-Five Million Dollars ($75,000,000) and shall have an office for the transaction of its business in the State of New York, and shall be authorized by law to perform all the duties imposed upon it by the General Resolution.

Payment of Bonds

The Agency shall duly and punctually pay or cause to be paid the principal, Redemption Price and Sinking Fund Payments of every Bond and the interest thereon, at the dates and places and in the manner provided in the Bonds according to the true intent and meaning thereof.

Agreement of the State

In accordance with the provisions of Section 48 of the Act, the Agency, on behalf of the State, does hereby pledge to and agree with the Holders of the Bonds that the State will not limit or alter the rights vested by the Act in the Agency to fulfill the terms of any agreements made with Bondholders, or in any way impair the rights and remedies of such Holders until the Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such Holders, are fully met and discharged.

Issuance of Additional Obligations

(1) So long as any Parity Obligations are Outstanding, the Agency shall not hereafter create or permit the creation of or issue any obligations or create any additional indebtedness whatsoever which will be secured by a charge and lien on any Pledged Property or which will be payable in any respect from the Revenue Fund, Debt Service Fund or Debt Service Reserve Fund except that (i) additional Series of Bonds may be issued and other additional Parity Obligations may be incurred from time to time pursuant to a Supplemental Resolution subsequent to the issuance of the initial Series of Bonds under the General Resolution on a parity with the Bonds of such initial Series of Bonds and secured by an equal charge and lien on the Pledged Property and payable equally from the Revenue Fund, Debt Service Fund and Debt Service Reserve Fund and (ii) the Agency may incur Subordinated Contract Obligations including, but not limited to, Subordinate Bonds.

(2) No Series of Bonds or other Parity Obligations Instruments shall be issued or delivered, unless:

(a) With respect to Bonds, the provisions of Section 202 and/or Section 203 of the General Resolution, as applicable, shall have been satisfied;

(b) The principal amount of the Bonds then to be issued, together with the principal amount of the bonds and notes of the Agency theretofore issued and outstanding, will not exceed in aggregate principal amount any limitation thereon imposed by law;

(c) There is at the time of the issuance of such Bonds or other Parity Obligation Instruments no deficiency in the amounts required by the General Resolution or any Supplemental Resolution to be paid into the Debt Service Fund; and

(d) The amount of the Debt Service Reserve Fund, upon the issuance and delivery of such Bonds and the placing in the Debt Service Reserve Fund of any amount provided therefor in the Supplemental Resolution authorizing the issuance of such Bonds shall not be less than the Debt Service Reserve Fund Requirement for the Bonds.

The Agency reserves the right to issue Notes and any other obligations so long as the same are not a charge or lien on the Pledged Property or payable from the Revenue Fund, Debt Service Fund, or Debt Service Reserve Fund.

Mortgage Terms

The Agency shall establish, in a manner consistent with the assumptions included in the Cash Flow Statement delivered in connection with the issuance of the Series of Bonds the proceeds of which are to be used to fund a Mortgage Loan, (i) the repayment terms for such Mortgage Loan, including principal amount, interest rates, amortization schedule and maturity date of such Mortgage Loan, and (ii) the credit enhancement requirements, if any, for such Mortgage Loan.

Modification of Mortgage Terms

The Agency may modify a Mortgage or the terms of a Mortgage Loan in any respect; provided that the Agency shall not modify any Mortgage or the terms of any Mortgage Loan in a manner that will materially adversely affect the ability of the Agency to repay the Bonds unless there is filed with the Trustee a Cash Flow Statement.

Sale of Program Assets

The Agency may sell any Program Asset; provided that the Agency shall not sell any Program Asset that is not in default at a price that is less than the unpaid principal amount thereof plus accrued interest thereon unless there is delivered to the Trustee a Cash Flow Statement regarding such sale.

Disposition of Mortgage Advance Amortization Payments, Recovery Payments and Proceeds of Sale of the Mortgage

The proceeds received by the Agency from a Mortgage Advance Amortization Payment or from the sale of a Mortgage or from Recovery Payments (after making any necessary reimbursements to the Debt Service Reserve Fund including the repurchase of Investment Obligations credited thereto) shall be deposited in the Revenue Account and applied in accordance with the General Resolution.

Enforcement of Program Assets and Related Security

(1) Except as otherwise provided in a Supplemental Resolution, the Agency shall diligently enforce and take all reasonable steps, actions and proceedings necessary for the enforcement of all terms, covenants and conditions of, and to collect payments due under, the Program Assets that are Pledged Property and any credit enhancement relating to such Program Assets and, to the extent permitted by law, the Agency shall, at all times, defend, enforce, preserve and protect its rights and privileges under or with respect to all Program Assets that are Pledged Property and any credit enhancement relating to such Program Assets and the obligations and agreements securing and evidencing such Program Assets; provided, however, to the extent applicable, any such enforcement shall be consistent with the provisions of any such credit enhancement relating to a particular Program Asset.

(2) The Agency shall not take any action so as to jeopardize any credit enhancement relating to one or more Program Assets. The Agency shall take any and all actions in timely fashion so as to avoid any loss or diminution of benefits receivable pursuant to such credit enhancement and shall take any and all action necessary or desirable to enforce its rights under such credit enhancement.

Pledge of the Program Assets

To secure the payment of the principal and Redemption Price of and Sinking Fund Payments and interest on the Bonds and the payment of Parity Obligation Instruments and Subordinated Contract Obligations, the Agency does hereby pledge to the Trustee, for the benefit of the Bondholders, the Parties and the Subordinated Parties, the Program Assets. The foregoing pledge to secure the payment of Subordinated Contract Obligations shall be subject and subordinate to the pledge securing the payment of Parity Obligation Instruments. The foregoing pledge shall be valid and binding from and after the date of adoption of the General Resolution, and such Program Assets shall be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Agency, irrespective of whether such parties have notice thereof. Notwithstanding anything to the contrary contained in the General Resolution, the Agency may, pursuant to a Supplemental Resolution, (i) also pledge one or more Program Assets for the benefit of one or more Credit Facility Providers or Qualified Hedge Providers, and such further pledge may be either on a parity with or subordinate to the pledge set forth in this paragraph to secure the payment of the Bonds, all as set forth in such Supplemental Resolution, or (ii) provide that any or all of the assets or projects financed by the Series of Bonds authorized pursuant to such Supplemental Resolution be excluded from the pledge set forth in this paragraph to secure the payment of the Bonds or otherwise limit such pledge with respect to such assets or projects. In addition, notwithstanding the foregoing, any Program Asset pledged under the General Resolution may, at the written direction of the Agency, be released from such pledge upon the filing with the Trustee of a Cash Flow Statement (unless otherwise provided for in a Supplemental Resolution authorizing a Series of Bonds). Upon the happening of an event of default specified under the heading "Events of Default" and upon the written request of the Trustee or of the Holders of not less than twenty-five per centum (25%) in amount of Parity Principal, the Agency, in accordance with the General Resolution, shall assign outright the foregoing to the Trustee.

Cash Flow Statements

(A) The Agency shall file with the Trustee a current Cash Flow Statement (i) whenever any Series of Bonds is issued or remarketed (e.g., in connection with the adjustment of the method of calculating interest thereon), (ii) prior to entering into an agreement with a Credit Facility Provider for the purchase of Bonds with adjustments to maturity, amortization requirements or redemption provisions in accordance with the General Resolution; (iii) prior to entering into any Qualified Hedge; (iv) prior to the release of any Pledged Property from the lien and pledge of the Resolution, other than as provided for in a Supplemental Resolution authorizing a Series of Bonds; (v) prior to the effectiveness of any Supplemental Resolution or other modification or amendment of the General Resolution in accordance with clause (8) under the heading "Adopting and Filing" below; (vi) except with respect to transfers to the Rebate Fund or the Debt Service Reserve Fund in accordance with the General Resolution, prior to the application to any lawful purpose of the Agency, pursuant to the General Resolution, of amounts in the General Reserve Fund in excess of the amounts provided for such application in the most recent Cash Flow Statement on file with the Trustee; (vii) prior to an increase in the amount of any Series Agency Expense Amount; (viii) prior to the application of proceeds received from a Mortgage Advance Amortization Payment (including, without limitation, SONYMA Reduction Payments) or Voluntary Sale Proceeds or from Recovery Payments which have been deposited in the Redemption Account other than to the purchase or redemption of Bonds of the Series in respect of which such monies were directly or indirectly derived in the manner set forth in the General Resolution; (ix) prior to the modification of a Mortgage or the terms of a Mortgage Loan in a manner that will materially adversely affect the ability of the Agency to repay the Bonds; (x) prior to the transfer of the proceeds received by the Agency from a Mortgage Advance Amortization Payment (including, without limitation, SONYMA Reduction Payments), or Voluntary Sale Proceeds or from Recovery Payments to the Bond Proceeds Account or the retention of such amounts in the Revenue Fund pursuant to the General Resolution; (xi) prior to the purchase of Term Bonds at prices exceeding par plus accrued interest pursuant to the General Resolution); (xii) prior to the purchase of Bonds at prices exceeding the Redemption Price which would be payable on the next ensuing date on which the Bonds of the designated Series so purchased are redeemable at the option of the Agency

according to their terms pursuant to the General Resolution; and (xiii) prior to taking any other action for which the provisions of the General Resolution or any Supplemental Resolution require the furnishing of a Cash Flow Statement. Notwithstanding anything to the contrary contained herein, a Rating Confirmation may be filed in lieu of a Cash Flow Statement for any purpose for which a Cash Flow Statement is otherwise required pursuant to the General Resolution.

(B) A Cash Flow Statement shall consist of a Certificate of an Authorized Officer giving effect to the action proposed to be taken and demonstrating that: (i) subsequent to the action or actions proposed to be taken and for which such Cash Flow Statement is filed by the Agency, the amount of moneys and Investment Obligations held in the Funds and Accounts pledged under the General Resolution, together with accrued but unpaid interest thereon, and the outstanding principal balance of Mortgage Loans and other Program Assets, together with accrued but unpaid interest thereon and any other assets, valued at par, pledged for the payment of the Bonds (other than Subordinated Bonds) and Parity Obligations, will exceed the aggregate principal amount of and accrued but unpaid interest on Outstanding Bonds (other than Subordinated Bonds) and Parity Obligations, and (ii) for the current and each succeeding Bond Year during which Parity Obligations are scheduled to be unpaid, that amounts then expected to be on deposit in the Funds and Accounts maintained hereunder in each such Bond Year will be at least equal to all amounts required by the General Resolution to be on deposit in such Funds and Accounts for the payment of Parity Obligations and for the funding of the Debt Service Reserve Fund to the Debt Service Reserve Fund Requirement except that, to the extent specified in a Supplemental Resolution, a Fund, Account, property or assets are not to be taken into account when preparing a Cash Flow Statement, such Fund, Account, property or assets shall not be taken into account. The Cash Flow Statement shall set forth the assumptions upon which the estimates therein are based. In preparing a Cash Flow Statement, the Agency shall utilize, with respect to Parity Obligation Instruments, cash flow assumptions and tests that are consistent with the then current ratings assigned to the Bonds (other than Subordinate Bonds) by the Rating Agency. In calculating the amount of interest due on Parity Obligations in the current and each succeeding Bond Year in which Bonds are scheduled to be Outstanding, with respect to Parity Obligations bearing interest at a variable rate as defined in a Supplemental Resolution, the interest rate used shall be the fixed rate or rates acceptable to the Rating Agency for purposes of assuring that there is not an adverse effect on the Rating Agency's rating on the Bonds (other than Subordinate Bonds). Upon filing a Cash Flow Statement with the Trustee, the Agency shall thereafter administer the Program and perform its obligations hereunder in accordance in all material respects with the assumptions set forth in such Cash Flow Statement until such time as a new or amended Cash Flow Statement shall be filed with the Trustee. Facts reflected in a Cash Flow Statement may be as of a date or reasonably adjusted to a date of the most recently available data, as determined by the Agency. Upon each filing of a Cash Flow Statement with the Trustee, the Agency shall give written notice of such filing to the Rating Agency, which notice shall state that a copy of such Cash Flow Statement will be furnished to the Rating Agency upon request.

Notwithstanding the foregoing, in lieu of the Cash Flow Statement otherwise required as described in (A)(i) above, the Agency may file a Cash Flow Certificate of an Authorized Officer certifying that (i) all of the proceeds of the Series of Bonds to be issued, except amounts to be deposited in the Debt Service Reserve Fund, will be used to fund one or more Mortgage Loans, each of which will be fully guaranteed or insured by a guarantor or insurer rated by the Rating Agency at least equal to the then rating on the Bonds (other than Subordinate Bonds); and (ii) Pledged Receipts projected to be received from such Mortgage Loan or Mortgage Loans in each Bond Year for which such Series of Bonds are scheduled to be Outstanding will at least equal to the Parity Obligations and Series Agency Expense Amounts scheduled to be due in each such Bond Year with respect to such Series of Bonds. The Cash Flow Certificate shall set forth the assumptions upon which the estimates therein are based.

If any Cash Flow Statement shall show a deficiency in any Bond Year in the amount of funds expected to be available for the purposes described in the General Resolution, the Agency shall not, solely by virtue thereof, be in default under the General Resolution but shall take all reasonable actions appropriate to eliminate such deficiency.

Adoption and Filing

The Agency may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes, and any such Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy thereof certified by an Authorized Officer:

(1) To provide for the issuance of a Series of Bonds and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed, including any amendments or modifications to the provisions of the General Resolution required or deemed necessary or advisable to the extent such Series of Bonds are variable rate Bonds or have a liquidity feature with respect thereto;

(2) To add additional covenants and agreements of the Agency for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Agency contained in the General Resolution;

(3) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Agency which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

(4) To surrender any right, power or privilege reserved to or conferred upon the Agency by the terms of the General Resolution;

(5) To confirm as further assurance any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the provisions of the General Resolution;

(6) To authorize Qualified Hedges and establish their terms;

(7) With the consent of the Trustee, (i) to cure any ambiguity or defect or inconsistent provision in the General Resolution or in any previously adopted Supplemental Resolution or (ii) to insert such provisions clarifying matters or questions arising under the General Resolution or any previously adopted Supplemental Resolution as are necessary or desirable and which are not contrary to or inconsistent with the General Resolution as theretofore in effect;

(8) To modify any of the provisions of the General Resolution or any previously adopted Supplemental Resolution in any other respect, provided that such modifications shall not be effective until (i) there is delivered to the Trustee a Rating Confirmation regarding such modification, or (ii) all Bonds of any Series of Bonds Outstanding as of the date of adoption of such Supplemental Resolution or Supplemental Resolution shall cease to be Outstanding, and all Bonds issued under such resolutions shall contain a specific reference to the modifications contained in such subsequent resolution;

(9) To comply with regulations or rulings issued with respect to the Internal Revenue Code of 1986, as amended, to the extent determined as necessary or desirable in a Bond Counsel's Opinion; or

(10) To appoint a trustee (other than the Trustee) with respect to any Subordinate Bonds.

Consent from the Parties is not required for the supplements and amendments to the General Resolution authorized under the headings "Adoption and Filing" and "Supplemental Resolutions Effective with Consent of Bondholders" hereof.

Supplemental Resolutions Effective with Consent of Bondholders

Except as permitted under the heading "Adoption and Filing" the provisions of the General Resolution may be modified at any time or from time to time by a Supplemental Resolution, subject to the consent of

Bondholders in accordance with and subject to the provisions of the General Resolution, such Supplemental Resolution to become effective upon the filing with the Trustee of a copy thereof certified by an Authorized Officer.

Powers of Amendment

Any modification or amendment of the General Resolution and of the rights and obligations of the Agency and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given as provided in the General Resolution, (a) of the Holders of at least two-thirds in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Holders of at least two-thirds in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holder of such Bond, or shall reduce the percentages of Bonds, the consent of the Holders of which is required to effect any such modification or amendment. For the purposes of the heading "Powers of Amendment", a Series shall be deemed to be affected by a modification or amendment of the General Resolution if the same adversely affects or diminishes the rights of the Holders of Bonds of such Series. The Trustee may in its discretion determine whether or not in accordance with the foregoing provisions Bonds of any particular Series or maturity would be affected by any modification or amendment of the General Resolution and any such determination shall be binding and conclusive on the Agency and all Holders of Bonds. The Trustee may receive an opinion of counsel, including a Counsel's Opinion, as conclusive evidence as to whether Bonds of any particular Series or maturity would be so affected by any such modification or amendment of the General Resolution.

Events of Default

Each of the following events is hereby declared an "event of default":

(a) a default is made in the payment of the principal or Sinking Fund Payments or interest on any Bond after the same shall become due, whether at maturity or upon call for redemption; or

(b) the Agency shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part in the General Resolution, any Supplemental Resolution, or in the Bonds contained, and continuance of such default for a period of ninety (90) days after written notice thereof requiring the same to be remedied shall have been given to the Agency by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Holders of not less than fifty-one per centum (51%) in principal amount of the Outstanding Bonds (other than Subordinate Bonds); or

(c) the Agency shall file a petition seeking a composition of indebtedness under the Federal bankruptcy laws, or under any other applicable law or statute of the United States of America or of the State.

provided, however, that an event of default shall not be deemed to exist under the provisions of clause (b) above upon the failure of the Agency to enforce any obligation undertaken by a Mortgagor pursuant to the provisions of a Mortgage Loan, including the making of the stipulated Mortgage Repayments, so long as the Agency shall be provided with monies sufficient in amount to pay the principal of, Sinking Fund Payments and interest on all Bonds as the same shall become due.

Under no circumstances shall the Agency's failure to pay (i) Parity Obligation with respect to any Parity Obligation Instruments other than Bonds, (ii) Termination Payments or (iii) Subordinated Contract Obligations constitute an event of default under the General Resolution.

Remedies

(1) Upon the happening and continuance of any event of default specified under the heading "Events of Default" above, then, and in each such case, the Trustee may proceed, and upon the written request of the Holders of not less than fifty-one per centum (51%) in amount of the Parity Principal, shall proceed, in its own name, to protect and enforce its rights and the rights of the Bondholders and the Parties by such of the following remedies, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(a) by suit, action or proceeding in accordance with the New York Civil Practice Law and Rules, enforce all rights of the Bondholders and the Parties, including the right to require the Agency to carry out the covenants and agreements as to, and pledge of, Pledged Property and to require the Agency to carry out any other covenant or agreement with Bondholders or Parties and to perform its duties under the Act;

(b) by bringing suit upon the Bonds;

(c) by action or suit, require the Agency to account as if it were the trustee of an express trust for the Holders of the Bonds and the Parties;

(d) by action or suit, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of the Bonds or the Parties; and

(e) in accordance with the provisions of the Act, by declaring all Parity Principal due and payable, and if all defaults shall be made good, then, with the written consent of the Holders of not less than twenty-five per centum (25%) in amount of the Parity Principal, to annul such declaration and its consequences.

(2) In the enforcement of any remedy under the General Resolution, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and any time remaining, due from the Agency for Parity Principal, Sinking Fund Payment, Redemption Price, Parity Interest or otherwise, under any provision of the General Resolution or of the Parity Obligation Instruments, and unpaid, with interest on overdue payments at the rate of interest specified in the Parity Obligation Instruments, together with any and all costs and expenses of collection and of all proceedings under the General Resolution and under the Parity Obligation Instruments, without prejudice to any other right or remedy of the Trustee or of the Bondholders or of the Parties, and to recover and enforce judgment or decree against the Agency but only against the monies and other properties pledged under the General Resolution for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any monies available for such purpose and pledged under the General Resolution, in any manner provided by law, the monies adjudged or decreed to be payable.

Priority of Payments after Default

In the event that the funds held by the Trustee following the occurrence of an event of default shall be insufficient for the payment of Parity Obligations, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and any other monies received or collected by the Trustee acting pursuant to the Act and the General Resolution, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Holders of the Bonds and the Parties, and for the payment of the charges and expenses and

liabilities incurred and advances made by the Trustee in the performance of its duties under the General Resolution, shall be applied as follows:

(a) unless the principal of all of the Parity Principal shall have become or have been declared due and payable,

First: To the payment to the persons entitled thereto of all installments of Parity Interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

Second: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Payment or Redemption Price of any Bonds and other Parity Principal that shall have become due, whether at maturity or by call for redemption, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Parity Principal due on any date, then to the payment thereof ratably, according to the amounts of principal, Sinking Fund Payment or Redemption Price or other Parity Principal due on such date, to the persons entitled thereto, without any discrimination or preference; and

Third: To the payment to the persons entitled thereto of the unpaid Subordinated Contract Obligations that shall have become due, in the order of their due dates and, if the amounts available shall not be sufficient to pay in full all the Subordinated Contract Obligations due on any date, then to the payment thereof ratably, according to the amounts of Subordinated Contract Obligations due on such date, to the persons entitled thereto, without any discrimination or preference;

(b) if the Parity Principal shall have become or have been declared due and payable, to the payment of the Parity Principal and Parity Interest then due and unpaid without preference or priority of Parity Principal over Parity Interest or of Parity Interest over Parity Principal, or of any installment of Parity Interest over any other installment of Parity Interest, or of any Parity Obligation Instrument over any other Parity Obligation Instrument, ratably, according to the amounts due respectively for Parity Principal and Parity Interest, to the persons entitled thereto without any discrimination or preference except as to any difference in the respective rate of interest specified in the Parity Obligation Instrument.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this heading, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine having due regard to the amount of such monies available for application and the likelihood of additional money becoming available for such application in the future; the deposit of such monies and the setting aside of such monies in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Agency, to any Bondholder, to any Party or to any other person for any delay in applying any such monies, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of the General Resolution as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such monies, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate for the fixing of any such date.

Defeasance

If the Agency shall pay or cause to be paid, or there shall otherwise be paid, the principal, Sinking Fund Payment and interest and Redemption Price, if any, to become due on Parity Obligation Instruments, at the times and in the manner stipulated therein and in the General Resolution, then and in that event the covenants, agreements and other obligations of the Agency to the Bondholders and the Parties shall be discharged and satisfied. In such event, the Trustee shall, upon request of the Agency, execute and deliver to

the Agency all such instruments as may be desirable to evidence such release and discharge and the Trustee shall pay over or deliver to the Agency all monies or securities held by them pursuant to the General Resolution which are not required for the payment or redemption of Parity Obligation Instruments not theretofore surrendered for such payment or redemption.

Parity Obligation Instruments or interest installments for the payment or redemption of which monies shall then be held by the Trustee (through deposit by the Agency of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Parity Obligation Instruments, shall be deemed to have been paid within the meaning of the paragraph above. All Outstanding Bonds of any Series, or a portion of all Outstanding Bonds of a Series, or other Parity Obligation Instruments, shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed in the paragraph above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Agency shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give as provided in the General Resolution notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Trustee either monies in an amount which shall be sufficient, or Defeasance Collateral, the principal of and interest on which when due will provide monies which, together with the monies, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal, Sinking Fund Payment or Redemption Price, if applicable, and interest due and to become due on said Bonds or portion of all Outstanding Bonds or such other Parity Obligation Instruments on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Agency shall have given the Trustee in form satisfactory to it irrevocable instructions to give notice, as soon as practicable, at least twice, at an interval of not less than seven (7) days between notices, to the Holders of such Bonds that the deposit required by (b) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this paragraph and stating such maturity or redemption date upon which monies are to be available for the payment of the principal, Sinking Fund Payment or Redemption Price, if applicable, on said Bonds. Neither the obligations nor monies deposited with the Trustee pursuant to this paragraph nor principal or interest payments on any such obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price of, if any, and interest or Sinking Fund Payments on said Bonds or a portion of said Bonds, or other Parity Obligation Instruments, as the case may be; provided that any cash received from such principal or interest payments on such obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Defeasance Collateral maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Payment or Redemption Price, if any, and interest to become due on said Bonds or other Parity Obligation Instruments on and prior to such redemption date or maturity date thereof, as the case may be.

Any income or interest earned by, or increment to, the investment of any such monies so deposited, shall, to the extent certified by the Trustee to be in excess of the amounts required in the General Resolution to pay the principal, Sinking Fund Payment, Redemption Price, if any, and interest on such Bonds or other Parity Obligation Instruments, as realized, be transferred by the Trustee to the Agency, and any such monies so paid by the Trustee to the Agency shall be released of the lien and pledge created by the General Resolution.

EXHIBIT C

BOOK-ENTRY ONLY SYSTEM

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants," and together with Direct Participants, "Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission.

Purchases of the 2014 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2014 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2014 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2014 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2014 Bonds, except in the event that use of the book-entry system for the 2014 Bonds is discontinued.

To facilitate subsequent transfers, all 2014 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the 2014 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2014 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2014 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2014 Bonds of a particular Series, maturity and initial CUSIP number are being redeemed, DTC's practice is to determine by lot the amount of

the interest of each Direct Participant in the 2014 Bonds of such Series, maturity and initial CUSIP number to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2014 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Agency as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2014 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the 2014 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Agency or the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Agency, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Agency or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2014 Bonds at any time by giving reasonable notice to the Agency or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, 2014 Bond certificates are required to be printed and delivered.

The Agency may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2014 Bond certificates will be printed and delivered to DTC.

The information herein concerning DTC and DTC's book-entry system has been obtained from sources that the Agency believes to be reliable, but the Agency takes no responsibility for the accuracy thereof.

Each person for whom a Participant acquires an interest in the 2014 Bonds, as nominee, may desire to make arrangements with such Participant to receive a credit balance in the records of such Participant, and may desire to make arrangements with such Participant to have all notices of redemption or other communications to DTC, which may affect such persons, to be forwarded in writing by such Participant and to have notification made of all interest payments. NEITHER THE AGENCY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE 2014 BONDS.

So long as Cede & Co. is the registered owner of the 2014 Bonds, as nominee for DTC, references herein to the Bondholders or registered owners of the 2014 Bonds (other than under the captions "Tax Matters" and "Continuing Disclosure" herein) shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the 2014 Bonds.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the Trustee to DTC only.

For every transfer and exchange of 2014 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

The Agency, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the 2014 Bonds if the Agency determines that (i) DTC is unable to discharge its responsibilities with respect to the 2014 Bonds, or (ii) a continuation of the requirement that all of the Outstanding Bonds be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, is not in the best interests of the Beneficial Owners. In the event that no substitute securities depository is found by the Agency or restricted registration is no longer in effect, 2014 Bond certificates will be delivered as described in the Resolution.

The requirement for physical delivery of the 2014 Bonds in connection with a purchase in lieu of redemption will be deemed satisfied when the ownership rights in the 2014 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered 2014 Bonds to the Trustee's DTC Account.

NONE OF THE AGENCY, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (I) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (II) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE 2014 BONDS UNDER THE RESOLUTIONS; (III) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE 2014 BONDS; (IV) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OR INTEREST DUE WITH RESPECT TO THE 2014 BONDS; (V) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNER OF THE 2014 BONDS; OR (VI) ANY OTHER MATTER.

EXHIBIT D

DESCRIPTION OF SUPPLEMENTAL SECURITY AND SUBSIDY PROGRAMS

SUPPLEMENTAL SECURITY

The Mortgage Loans or the Projects financed thereby may, but are not required to, be supported by Supplemental Security insuring or securing against Mortgage Loan default losses. Supplemental Security, if any, may be in the form of, among other things, a mortgage insurance policy, a guaranteed mortgage-backed security, a bank letter of credit, a surety bond or an escrow deposit, any or all of which may be obtained pursuant to one or more programs of the Federal, State or local government. Set forth below is information regarding potential forms of Supplemental Security and the providers thereof. The Supplemental Security applicable to Mortgage Loans currently outstanding is set forth in "EXHIBIT G—PROJECTS AND MORTGAGE LOANS OUTSTANDING UNDER THE PROGRAM" and the Supplemental Security applicable to Mortgage Loans being financed with the 2014 Bonds is set forth under "PLAN OF FINANCING."

SONYMA Insurance Program

As further described below, the State of New York Mortgage Agency ("SONYMA") operates a mortgage insurance program. Mortgage Loans insured by SONYMA are referred to as the "SONYMA-insured Mortgage Loans." ***The Bonds are not insured by SONYMA and SONYMA is not liable on the Bonds.***

General. SONYMA was established pursuant to the State of New York Mortgage Agency Act, Chapter 612 of the Laws of New York, 1970, as amended (the "SONYMA Act"). The directors of SONYMA consist of the State Comptroller or his appointee, the Director of the Budget of the State of New York, the Commissioner of the New York State Division of Housing and Community Renewal, one director appointed by the Temporary President of the State Senate, one director appointed by the Speaker of the State Assembly, and four directors appointed by the Governor with the advice and consent of the State Senate. While several of its directors and officers are the same as the officers and members of the Agency, SONYMA is a separate public benefit corporation and independently reviews and approves multi-family rental projects to determine if they qualify for mortgage insurance. SONYMA employs a staff of approximately 116 employees, including 10 persons who staff the legal, underwriting and risk evaluation, administrative and servicing units of the SONYMA Mortgage Insurance Fund. The issuance of commitments to insure loans of greater than $2,000,000 requires the approval of SONYMA's Mortgage Insurance Committee and the issuance of commitments to insure loans of greater than $7,000,000 also requires the approval of the directors of SONYMA.

The SONYMA Act authorizes SONYMA to enter into commitments to insure mortgages and contracts of mortgage insurance and to contract to facilitate the financial activities of the Convention Center Development Corporation (the "CCDC"), a subsidiary of the New York State Urban Development Corporation, and to fulfill SONYMA's obligations and enforce its rights under any insurance or financial support so furnished. Part II of the SONYMA Act, authorizing the mortgage insurance program, was adopted by the State Legislature in 1978 to encourage financial institutions to make mortgage loans in neighborhoods suffering from disinvestment by providing mortgage insurance to minimize the investment risk. In 1989, the SONYMA Act was amended to authorize SONYMA to provide insurance for a loan or pool of loans (a) when the property is located in an "economic development zone" as defined under State law, (b) when the property will provide affordable housing, (c) when the entity providing the mortgage financing was or is created by local, State or Federal legislation, and certifies to SONYMA that the project meets the program criteria applicable to such entity or (d) when the property will provide a retail or community service facility that would not otherwise be provided. In December 2004, the SONYMA Act was amended to authorize SONYMA to enter into agreements with CCDC to provide a source or potential source of financial support to bonds of the

CCDC and, to the extent not otherwise provided in respect of the support of bonds, for its ancillary bond facilities.

The SONYMA Act authorizes SONYMA to create a mortgage insurance fund (the "SONYMA Mortgage Insurance Fund"). The SONYMA Mortgage Insurance Fund is used as a revolving fund for carrying out the provisions of the SONYMA Act with respect to mortgages insured thereunder and with respect to providing credit support for the CCDC bonds or ancillary bond facilities. The Bonds are not secured by monies held in the SONYMA Mortgage Insurance Fund and SONYMA is not liable on the Bonds. The SONYMA Act provides that all monies held in the SONYMA Mortgage Insurance Fund, with certain exceptions, shall be used solely for the payment of its liabilities arising from mortgages insured by SONYMA or for providing credit support for the CCDC bonds or ancillary bond facilities pursuant to the SONYMA Act. Only monies in the appropriate accounts of the SONYMA Mortgage Insurance Fund will be available to SONYMA for payment of SONYMA's liabilities under the SONYMA mortgage insurance policies for the SONYMA-insured Mortgage Loans (the "SONYMA Insurance").

The SONYMA Act establishes within the SONYMA Mortgage Insurance Fund a project pool insurance account with respect to insurance on properties other than one to four dwelling units (the "Project Pool Insurance Account"), a special account (the "Special Account"), a single family pool insurance account with respect to insurance related to one to four dwelling units (the "Single Family Pool Insurance Account"), and a development corporation credit support account with respect to providing credit support for the bonds or ancillary bond facilities of the CCDC (the "Development Corporation Credit Support Account"). The Development Corporation Credit Support Account is a source or potential source of payment of the sum of the respective amounts (or percentages) of required or permissive funding by the CCDC of each reserve and financial support fund established by the CCDC for its bonds and, to the extent not otherwise provided in respect of the support of bonds, for its ancillary bond facilities for which SONYMA has determined that the Development Corporation Credit Support Account is or will be a source or potential source of funding.

The SONYMA Act provides that assets of the Project Pool Insurance Account, the Special Account, the Single Family Pool Insurance Account and the Development Corporation Credit Support Account shall be kept separate and shall not be commingled with each other or with any other accounts which may be established from time to time, except as authorized by the SONYMA Act. The SONYMA-insured Mortgage Loans are insured by SONYMA under the Project Pool Insurance Account.

The SONYMA Act provides that all monies held in the Project Pool Insurance Account, with certain exceptions, shall be used solely for the payment of its liabilities arising from mortgages insured by SONYMA pursuant to the SONYMA Act. The claims-paying ability of each of the Project Pool Insurance Account and the Single Family Pool Insurance Account of the SONYMA Mortgage Insurance Fund are rated "Aa1" by Moody's Investors Service with a negative outlook on the Single Family Pool Insurance Account. The claims-paying ability of the Project Pool Insurance Account and the Single Family Pool Insurance Account of the SONYMA Mortgage Insurance Fund are rated "AA-" and "AA+," respectively, by Fitch, Inc. with a negative outlook on the Project Pool Insurance Account. Such ratings reflect only the views of such organizations; an explanation of the significance of such ratings may be obtained from the respective rating agencies. There is no assurance that such ratings will continue for any period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. These ratings were established subsequent to SONYMA's change in its procedures to now require that reserves established with respect to project primary insurance it provides be deposited to the Project Pool Insurance Account. The claims paying ability of the Development Corporation Credit Support Account has not been rated. The SONYMA Act provides that SONYMA may not execute a contract to provide credit support to the bonds or ancillary bond facilities of the CCDC if, at the time such contract is executed, such execution would impair any then existing credit rating of the Single Family Pool Insurance Account or the Project Pool Insurance Account.

The SONYMA Mortgage Insurance Fund is funded primarily by a surtax on the State mortgage recording tax. Section 253(1-a) of the State Tax Law (the "State Tax Law") imposes a surtax (the "Tax") on recording mortgages of real property situated within the State. Excluded from the Tax are, among others, recordings of mortgages executed by voluntary nonprofit hospital corporations, mortgages executed by or granted to the Dormitory Authority of the State of New York and mortgages, wherein the mortgagee is a natural person, on mortgaged premises consisting of real property improved by a structure containing six or fewer residential dwelling units, each with separate cooking facilities. The Tax is equal to $0.25 for each $100 (and each remaining major fraction thereof) of principal debt which is secured by the mortgage. Section 261 of the State Tax Law requires the respective recording officers of each county of the State, on or before the tenth day of each month, after deducting certain administrative expenses incident to the maintenance of their respective recording offices, to pay SONYMA for deposit to the credit of the SONYMA Mortgage Insurance Fund the portion of the Tax collected by such counties during the preceding month, except that: (i) with respect to mortgages recorded on and after May 1, 1987, the balance of the Tax paid during each month to the recording officers of the counties comprising the Metropolitan Commuter Transportation District on mortgages of any real property improved by a structure containing six residential dwelling units or less with separate cooking facilities, shall be paid over to the Metropolitan Transportation Authority; (ii) with respect to mortgages recorded on and after May 1, 1987, the balance of the Tax paid during each month to the recording officers of the County of Erie on mortgages of any real property improved by a structure containing six residential dwelling units or less with separate cooking facilities, shall be paid over to the State Comptroller for deposit into the Niagara Frontier Transportation Authority light rail rapid transit special assistance fund; and (iii) Taxes paid upon mortgages covering real property situated in two or more counties shall be apportioned by the State Tax Commission among SONYMA, the Metropolitan Transportation Authority and the Niagara Frontier Transportation Authority, as appropriate.

Mortgage recording taxes have been collected in the State for more than 75 years. SONYMA has been entitled to receive Tax receipts since December 1978. Under existing law, no further action on the part of the State legislature is necessary for the SONYMA Mortgage Insurance Fund to continue to receive such monies. However, the State is not bound or obligated to impose, or to impose at current levels, the mortgage recording taxes described above or to direct the proceeds to SONYMA as currently provided. The SONYMA Mortgage Insurance Fund's receipt of Tax receipts is dependent upon the performance by the county recording officers of their collection and remittance obligations; the State Tax Commission is given general supervisory power over such officers. Tax receipts paid to the Mortgage Insurance Fund in calendar years 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2013 were approximately $131 million, $168 million, $184 million, $210 million, $140 million, $73 million, $64 million, $79 million, $99 million and $140 million, respectively. Through and including September 30, 2014, the tax receipts payable to the Mortgage Insurance Fund in calendar year 2014 were approximately $113 million. Tax receipts have fluctuated over the period they have been payable to the Mortgage Insurance Fund, due to changing conditions in the State's real estate market.

The SONYMA Act provides that SONYMA must credit the amount of money received from the recording officer of each county to the Special Account. The SONYMA Act provides that SONYMA may credit from the Special Account to the Project Pool Insurance Account, the Single Family Pool Insurance Account or the Development Corporation Credit Support Account, such moneys as are needed to satisfy the mortgage insurance fund requirement (as defined in the SONYMA Act) (the "Mortgage Insurance Fund Requirement") of the Project Pool Insurance Account, the Single Family Pool Insurance Account and the Development Corporation Credit Support Account, respectively, except that during any twelve-month period ending on March thirty-first the aggregate amount credited to the Development Corporation Credit Support Account (excluding investment earnings thereon) shall not exceed the lesser of (i) fifty million dollars or (ii) the aggregate of the amounts required under the contracts executed by SONYMA to provide credit support to the CCDC's bonds or ancillary bond facilities. The SONYMA Act also provides that if at any time the moneys, investments and cash equivalents (valued as determined by SONYMA) of the Project Pool Insurance Account, the Single Family Pool Insurance Account or the Development Corporation Credit Support Account exceed the amount necessary to attain and maintain the credit rating or, with respect to credit support to the

CCDC's bonds or ancillary bond facilities, credit worthiness (as determined by SONYMA) required to accomplish the purposes of either of such Accounts, SONYMA shall transfer such excess to the Special Account. Any excess balance in the Special Account is required to be remitted to the State annually. The SONYMA Act provides that no monies shall be withdrawn from any account within the SONYMA Mortgage Insurance Fund at any time in such amount as would reduce the amount in each account of such Fund to less than its applicable Mortgage Insurance Fund Requirement, except for the purpose of paying liabilities as they become due and for the payment of which other monies are not available. There can be no assurance that the amounts on deposit in the Project Pool Insurance Account will not be depleted through payment of liabilities arising with respect to insured mortgage loans other than the SONYMA-insured Mortgage Loans.

The Mortgage Insurance Fund Requirement as of any particular date of computation is equal to an amount of money or cash equivalents equal to (a) the aggregate of (i) the insured amounts of loans and such amount of credit support for the CCDC's bonds or ancillary bond facilities that SONYMA has determined to be due and payable as of such date pursuant to its contracts to insure mortgages or provide credit support for the CCDC's bonds or ancillary bond facilities plus (ii) an amount equal to twenty per centum (20%) of the amounts of loans insured under SONYMA's insurance contracts plus twenty per centum (20%) of the amounts to be insured under SONYMA's commitments to insure less the amounts payable pursuant to subparagraph (i) above (provided, however, that if the board of directors of SONYMA shall have established a higher per centum for a category of loans pursuant to the SONYMA Act, such per centum shall be substituted for twenty per centum (20%) in this paragraph as, for example, the March 2001 board of directors determination that the per centum for special needs facilities was forty per centum (40%)), plus (iii) an amount equal to the respective amounts established by contracts under which SONYMA has determined that the Development Corporation Credit Support Account will provide credit support for CCDC, less the amounts payable with respect to credit support for CCDC's bonds or ancillary bond facilities pursuant to subparagraph (i) above less (b) the aggregate of the amount of each reinsurance contract procured in connection with obligations of SONYMA determined by SONYMA to be a reduction pursuant to this paragraph in calculating the Mortgage Insurance Fund Requirement. Pursuant to the SONYMA Act, the board of directors of SONYMA may, from time to time, establish a Mortgage Insurance Fund Requirement in an amount higher than the twenty per centum (20%) set forth above. There can be no assurance that, in the future, there will not be additional changes in the Mortgage Insurance Fund Requirement for any category of loans.

As of March 31, 2014, the amount of reserves (money or cash equivalents) in the Project Pool Insurance Account was $1,357,504,000 and the Mortgage Insurance Fund Requirement related to such Account was $784,598,169. Amounts on deposit in the Project Pool Insurance Account may be transferred to other accounts or withdrawn as described in the second preceding paragraph.

As of March 31, 2014, the SONYMA Mortgage Insurance Fund's total liability against project mortgage insurance commitments and policies in force was $3,599,067,889 and the SONYMA Mortgage Insurance Fund had a total loan amount on outstanding project mortgage insurance commitments and policies in force of $3,923,542,364.

As of March 31, 2014, the Project Pool Insurance Account had paid 71 project mortgage insurance claims for loss in the aggregate amount of $124,625,526. As of March 31, 2014, the SONYMA Mortgage Insurance Fund had 18 project mortgage insurance policies in force on which claims for loss had been submitted. SONYMA estimates that its total liability thereon is $36,419,242.

On September 28, 2005, the board of directors of SONYMA authorized SONYMA to enter into a credit support agreement with CCDC, pursuant to which SONYMA has agreed to provide credit support for the New York Convention Center Development Corporation Revenue Bonds (Hotel Unit Fee Secured) Series 2005 (the "CCDC Series 2005 Bonds") issued by CCDC. SONYMA has made an initial deposit of $33.8 million into the Development Corporation Credit Support Account and, thereafter, will maintain a minimum balance of $25 million in such Account. These moneys will be used to support the payment of an amount equal to up to one-third of the scheduled principal and interest due on the CCDC Series 2005 Bonds.

In addition to the mortgage insurance program and the credit support program, the SONYMA Act authorizes SONYMA to purchase and make commitments to purchase mortgage loans on single-family (one-to four-unit) housing and home improvement loans from certain lenders in the State. The SONYMA Act also empowers SONYMA to make and purchase certain student loans. SONYMA may issue its bonds to finance purchases of loans.

Copies of SONYMA's audited financial statements for the fiscal year ended October 31, 2013 are available from the State of New York Mortgage Agency, 641 Lexington Avenue, New York, New York 10022, telephone (212) 688-4000.

SONYMA makes no representation as to the contents of this Official Statement (other than this section), the suitability of the Bonds for any investor, the feasibility of any Project or compliance with any securities or tax laws and regulations which may relate to the issuance and sale of the Bonds.

SONYMA's role is limited to providing the coverage set forth in the SONYMA Insurance.

State Fiscal Year 2014-2015 Enacted Budget

The Current Enacted Budget of the State requires certain transfers of moneys from the MIF's Project Pool Insurance Account. (Each State fiscal year is for the twelve-month period from April 1 of a calendar year to and including March 31 in the next succeeding calendar year.) Each transfer requires a determination by SONYMA that, at the time of such transfer, the reserves remaining in the Project Pool Insurance Account are sufficient to attain and maintain the credit rating required to accomplish the purposes of such Account. There can be no assurances as to what effect, if any, any such transfer may have on the then-current rating of the MIF's Project Pool Insurance Account by any rating agency.

Assuming satisfaction of the above-referenced conditions precedent, seven transfers will be made from the Project Pool Insurance Account in an aggregate amount of up to $75.418 million as follows: six to the Housing Trust Fund Corporation in the aggregate ampunt of $43.418 million (all of which were made on or before October 15, 2014) and one of up to $32 million to the New York State Housing Finance Agency to occur by March 31, 2015. On October 9, 2014, the SONYMA Board of Directors approved the release of the outstanding transfer which is expected to occur shortly.

Provisions similar to the transfer provisions were enacted as part of prior State Enacted Budgets resulting in transfers from the Project Pool Insurance Account in State Fiscal Year 2013 – 2014 to the State General Fund, the Housing Finance Agency and the Housing Trust Fund Corporation in the aggregate amount of $135,952,200 and in transfers from the Project Pool Insurance Account in State Fiscal Years 2012-2013 and 2008-2009 to the State General Fund in the amount of $100 million. State budget legislation in future years may provide for transfers from the Project Pool Insurance Account or other accounts in the MIF. SONYMA makes no representation regarding whether any such transfers, or the amounts thereof, will be enacted.

Additional provisions of the Current Enacted Budget direct that excess balance in the Special Account, as calculated in accordance with the SONYMA Act for the State Fiscal Year 2013-2014 (see SONYMA Insurance Program - General), shall be transferred to the State of New York Municipal Bond Bank Agency in an amount up to $34 million (two transfers in the aggregate amount of $34 million were made on or before October 27, 2014) and to the Homeless Housing and Assistance Corporation in an amount up to $6 million (which transfer was made on June 18, 2014). To the extent that excess balance in the Special Account is insufficient to fund such transfers, and provided that a determination is made by SONYMA that, at the time of such transfer, the reserves remaining in the Project Pool Insurance Account are sufficient to attain and maintain the credit rating required to accomplish the purposes of such Account, such transfers will be made from the Project Pool Insurance Account. On April 9, 2014, SONYMA notified the Director of the Budget

that it had determined that the final excess balance in the Special Account for the State Fiscal Year 2013-2014 was $40,046,990.

The SONYMA Act provides that no monies shall be withdrawn from any account within the SONYMA Mortgage Insurance Fund at any time in an amount which would reduce the amount on deposit in such account, including the Project Pool Insurance Account, of the Fund to fall below its statutorily required reserves.

Collection of SONYMA Mortgage Insurance Benefits. It is expected that the SONYMA-insured Mortgage Loans will be insured by SONYMA upon compliance with certain conditions contained in their respective SONYMA insurance commitments. Unless otherwise provided in a Supplemental Resolution, it is expected that SONYMA-insured Mortgage Loans will be insured for 100% of the outstanding principal balance thereof; however, the Agency may seek partial insurance from SONYMA with respect to certain Mortgage Loans. The following description relates only to Mortgage Loans which are insured for 100% of the outstanding principal balance thereof.

Pursuant to the SONYMA Insurance with respect to any of the SONYMA-insured Mortgage Loans, following a failure of the Mortgagor to make a required Mortgage payment in full (including scheduled principal and interest payments and mortgage insurance premium, taxes, insurance premium and escrow payments) or the avoidance of a prior payment pursuant to the United States Bankruptcy Code, the Agency may file a claim for loss with SONYMA. Thereupon, SONYMA has the option to either (i) make periodic payments of its obligation under the SONYMA Insurance in amounts equal to the scheduled principal and interest payments and mortgage insurance premium, taxes, insurance premium and escrow payments due with respect to such Mortgage Loan plus certain other amounts expended by the Agency (for which the Agency has not been reimbursed) or (ii) make a lump sum payment under the SONYMA Insurance in an amount equal to the sum of the principal outstanding and interest accrued on such Mortgage Loan from the date a required payment was due and not paid to a date that is up to sixty (60) days after such claim is paid and including certain other amounts expended by the Agency (for which the Agency has not been reimbursed). Periodic payments are to be made monthly. In addition, if SONYMA has chosen initially to make periodic payments it may nevertheless exercise its option to make a lump sum payment in the full amount of its then outstanding obligation under the SONYMA Insurance at any time while SONYMA is making periodic payments. Upon a lump sum payment by SONYMA, SONYMA may (but is not obligated to) require the Agency to assign such Mortgage to SONYMA. The SONYMA Insurance with respect to such Mortgage Loan may terminate pursuant to its terms upon the occurrence of certain events including the nonpayment of renewal premium. For specific information on the coverage provided by the SONYMA Insurance with respect to such Mortgage Loan, reference should be made to the policy related to such SONYMA Insurance which is available for inspection at the office of the Agency.

Freddie Mac

The information presented under this caption "Freddie Mac" has been supplied by Freddie Mac. None of the Agency, the Trustee or any Underwriter has independently verified such information, and none assumes responsibility for the accuracy of such information. The information is qualified in its entirety by reference to the Incorporated Documents, as defined below.

Freddie Mac is a shareholder-owned government-sponsored enterprise created on July 24, 1970 pursuant to the Federal Home Loan Mortgage Corporation Act, Title III of the Emergency Home Finance Act of 1970, as amended, 12 U.S.C. §§ 1451-1459 (the "Freddie Mac Act"). Freddie Mac's statutory mission is (i) to provide stability in the secondary market for residential mortgages; (ii) to respond appropriately to the private capital market; (iii) to provide ongoing assistance to the secondary market for residential mortgages (including activities relating to mortgages on housing for low- and moderate-income families involving a reasonable economic return that may be less than the return earned on other activities); and (iv) to promote access to mortgage credit throughout the United States (including central cities, rural areas and underserved

areas) by increasing the liquidity of mortgage financing. Neither the United States nor any agency or instrumentality of the United States is obligated, either directly or indirectly, to fund the mortgage purchase or financing activities of Freddie Mac or to guarantee Freddie Mac's securities or obligations.

Freddie Mac's principal business consists of the purchase of (i) first-lien, conventional residential mortgages subject to certain maximum loan limits and other underwriting requirements under the Freddie Mac Act and (ii) securities backed by such mortgages. Freddie Mac finances its mortgage purchases and mortgage-backed securities purchases through the issuance of a variety of securities, primarily pass-through mortgage participation certificates and unsecured debt, as well as with cash and equity capital.

On September 7, 2008, the Director of the Federal Housing Finance Agency ("FHFA") appointed FHFA as conservator of Freddie Mac in accordance with the Federal Housing Finance Reform Act of 2008 (the "Reform Act") and the Federal Housing Enterprises Financial Safety and Soundness Act of 1992. On September 7, 2008, in connection with the appointment of FHFA as conservator, Freddie Mac and the U.S. Department of the Treasury ("Treasury") entered into a Senior Preferred Stock Purchase Agreement. Also, pursuant to its authority under the Reform Act, Treasury announced that it has established the Government Sponsored Enterprise Credit Facility (a lending facility to ensure credit availability to Freddie Mac, Fannie Mae, and the Federal Home Loan Banks that will provide secured funding on an as needed basis under terms and conditions established by the Treasury Secretary to protect taxpayers) and a program under which Treasury will purchase Government Sponsored Enterprise (including Freddie Mac) mortgage-backed securities (MBS) in the open market. The announcements by FHFA and Treasury and descriptions of these programs are available at their respective websites: http://www.OFHEO.gov and http://www.Treasury.gov.

Freddie Mac registered its common stock with the U.S. Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (the "Exchange Act"), effective July 18, 2008. As a result, Freddie Mac files annual, quarterly and current reports, proxy statements and other information with the SEC. Prior to July 18, 2008, Freddie Mac prepared an annual Information Statement (containing annual financial disclosures and audited consolidated financial statements) and Information Statement Supplements (containing periodic updates to the annual Information Statement).

As described below, Freddie Mac incorporates certain documents by reference in this Official Statement, which means that Freddie Mac is disclosing information to you by referring you to those documents rather than by providing you with separate copies. Freddie Mac incorporates by reference in this Official Statement its proxy statement, and all documents that Freddie Mac files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act, after July 18, 2008 and prior to the completion of the offering of the related Bonds, excluding any information that Freddie Mac may "furnish" to the SEC but that is not deemed to be "filed." Freddie Mac also incorporates by reference its Registration Statement on Form 10, in the form declared effective by the SEC on July 18, 2008 (the "Registration Statement"). These documents are collectively referred to as the "Incorporated Documents" and are considered part of this Official Statement. You should read this Official Statement, in conjunction with the Incorporated Documents. Information that Freddie Mac incorporates by reference will automatically update information in this Official Statement. Therefore, you should rely only on the most current information provided or incorporated by reference in this Official Statement.

You may read and copy any document Freddie Mac files with the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. These SEC filings are also available to the public from the SEC's web site at http://www.sec.gov.

Freddie Mac makes no representations as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Freddie Mac's role is limited to discharging its obligations under the Credit Enhancement Agreement.

FREDDIE MAC'S OBLIGATIONS WITH RESPECT TO THE BONDS ARE SOLELY AS PROVIDED IN THE CREDIT ENHANCEMENT AGREEMENT. THE OBLIGATIONS OF FREDDIE MAC UNDER THE CREDIT ENHANCEMENT AGREEMENT WILL BE OBLIGATIONS SOLELY OF FREDDIE MAC, A SHAREHOLDER-OWNED, GOVERNMENT-SPONSORED ENTERPRISE ORGANIZED UNDER THE LAWS OF THE UNITED STATES OF AMERICA. FREDDIE MAC HAS NO OBLIGATION TO PURCHASE, DIRECTLY OR INDIRECTLY, ANY OF THE BONDS, BUT WILL BE OBLIGATED, PURSUANT TO THE CREDIT ENHANCEMENT AGREEMENT, TO PROVIDE FUNDS TO THE TRUSTEE TO PAY THE PURCHASE PRICE OF THE BONDS UNDER THE CIRCUMSTANCES DESCRIBED HEREIN. THE BONDS ARE NOT A DEBT OF THE UNITED STATES OF AMERICA, ANY AGENCY THEREOF, OR OF FREDDIE MAC, AND ARE NOT GUARANTEED BY THE FULL FAITH AND CREDIT OF THE UNITED STATES OF AMERICA OR BY FREDDIE MAC.

Freddie Mac Direct-Pay Credit Enhancement Agreement

Supplemental Security in the form of a Freddie Mac direct-pay Credit Enhancement Agreement may be provided with respect to a Mortgage Loan (each a "Credit Enhancement Agreement"). Each Credit Enhancement Agreement is or will be in an amount at least equal to 100% of the outstanding principal balance of the applicable Mortgage Loan plus a particular number of days' interest (usually 34) on such Mortgage Loan.

Such Credit Enhancement Agreements will not be pledged to the owners of the Bonds; however, any payments received by the Trustee from Freddie Mac pursuant to a Credit Enhancement Agreement constitute Revenues and therefore will be pledged for the benefit of the owners of the Bonds. Upon the making of a Mortgage Loan, the Agency assigns the corresponding Mortgage Note to Freddie Mac and the Trustee and the Trustee assigns its interest to Freddie Mac. Each Credit Enhancement Agreement is a direct-pay credit enhancement instrument and will be drawn upon by the Trustee to make the required mortgage payments on the applicable Mortgage Loan. If the Mortgagor fails to reimburse Freddie Mac for the amount drawn, Freddie Mac may direct the Trustee to draw on the Credit Enhancement Agreement to (i) pay an amount equal to the outstanding principal balance of such Mortgage Loan plus accrued interest and direct the Trustee to apply any Bond proceeds held for the applicable Mortgage Loan as a prepayment of such Mortgage Loan, or (ii) pay the entire principal amount of such Mortgage Loan plus accrued interest and direct the Trustee to transfer any Bond proceeds held for the applicable Mortgage Loan to Freddie Mac. Upon such draw, Freddie Mac, as assignee of the Mortgage Note and accompanying Mortgage, may foreclose or accept a deed in lieu of foreclosure or take any other enforcement action permitted under the Mortgage, which Mortgage will be free and clear of the pledge and lien of the Resolution or Freddie Mac may assign such rights to a successor in its interests under the Mortgage.

Fannie Mae

Fannie Mae is a federally chartered corporation organized and existing under the Federal National Mortgage Association Charter Act, 12 U.S.C. 1716 et seq. Fannie Mae was originally established in 1938 as a United States government agency to provide supplemental liquidity to the mortgage market and became a stockholder owned and privately managed corporation by legislation enacted in 1968.

Fannie Mae purchases, sells, and otherwise deals in mortgages in the secondary market rather than as a primary lender. It does not make direct mortgage loans but acquires mortgage loans originated by others. In addition, Fannie Mae issues mortgage backed securities ("MBS"), primarily in exchange for pools of mortgage loans from lenders. Fannie Mae receives guaranty fees for its guarantee of timely payment of principal of and interest on MBS certificates.

On September 6, 2008, Fannie Mae's safety and soundness regulator, the Federal Housing Finance Agency, or FHFA, placed Fannie Mae into conservatorship. As the conservator, FHFA succeeded to all rights,

titles, powers and privileges of Fannie Mae, and of any stockholder, officer, or director of Fannie Mae with respect to Fannie Mae and the assets of Fannie Mae.

On September 7, 2008 Fannie Mae, through its conservator, entered into two agreements with the U.S. Department of the Treasury ("Treasury") – a Senior Preferred Stock Purchase Agreement ("Stock Purchase Agreement") and a Common Stock Warrant ("Warrant"). Pursuant to the Stock Purchase Agreement, Fannie Mae issued to Treasury 1,000,000 shares of Senior Preferred Stock with an initial liquidation preference of $1,000 per share. Under the terms of the Warrant Treasury may purchase, for a nominal price, shares of common stock equal to 79.9% of the outstanding common stock of Fannie Mae.

The Senior Preferred Stock and the Warrant were issued to Treasury as an initial commitment fee for Treasury's commitment (the "Commitment"), set forth in the Stock Purchase Agreement, to provide funds to Fannie Mae under the terms and conditions set forth therein. Fannie Mae generally may draw funds under the Commitment on a quarterly basis if Fannie Mae's total liabilities exceed its total assets on its consolidated balance sheet calculated in accordance with generally accepted accounting principles as of the end of a quarter. As of August 18, 2014, the amount of remaining funding from Treasury that is available under the Commitment is $117.6 billion.

The Senior Preferred Stock provides for the quarterly payment of dividends. Fannie Mae's dividend payments on the Senior Preferred Stock for a dividend period are based on Fannie Mae's net worth, if any, as of the end of the immediately preceding fiscal quarter. If Fannie Mae does not have a positive net worth as of the end of the immediately preceding fiscal quarter, or if Fannie Mae's net worth does not exceed a specified capital reserve at the end of the immediately preceding fiscal quarter, then no dividend will accrue or be payable for the applicable dividend period on the Senior Preferred Stock. If Fannie Mae does have a positive net worth as of the end of the immediately preceding fiscal quarter in excess of a specified capital reserve amount, such amount, if declared, is to be paid to the holder of the Senior Preferred Stock as a dividend in accordance with the terms of the Senior Preferred Stock.

The Stock Purchase Agreement and the Warrant contain covenants that significantly restrict Fannie Mae's business activities. These covenants include a prohibition on the issuance of equity securities (except in limited instances), a prohibition on the payment of dividends or other distributions on Fannie Mae's equity securities (other than the Senior Preferred Stock or the Warrant), a prohibition on Fannie Mae's issuance of subordinated debt securities, and limitations on the amount of debt securities Fannie Mae may have outstanding and the size of Fannie Mae's mortgage assets portfolio.

Fannie Mae is incorporating by reference in this Official Statement the documents listed below that Fannie Mae publishes from time to time. This means that Fannie Mae is disclosing information to you by referring you to those documents. Those documents are considered part of this Official Statement, so you should read this Official Statement, and any applicable supplements or amendments, together with those documents before making an investment decision.

The securities of Fannie Mae are not guaranteed by the United States and do not constitute a debt or obligation of the United States or any agency or instrumentality thereof other than Fannie Mae.

Information on Fannie Mae and its financial condition are contained in periodic reports that are filed with the SEC. Fannie Mae's SEC filings are available at the SEC's website at www.sec.gov, and are also available on Fannie Mae's web site at http://www.fanniemae.com or from Fannie Mae at the Office of Investor Relations at 202-752-7115.

You should rely only on the information provided or incorporated by reference in this Official Statement and any applicable supplement, and you should rely only on the most current information.

Fannie Mae incorporates by reference the following documents Fannie Mae has filed, or may file with the SEC:

- Fannie Mae's Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 21, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended March 31, 2014, filed with the SEC on May 8, 2014; and

- Fannie Mae's Form 10-Q for the quarterly period ended June 30, 2014, filed with the SEC on August 7, 2014; and

- all other proxy statements that Fannie Mae files with the SEC, and all documents Fannie Mae files with the SEC pursuant to Section 13(a), 13(c) or 14 of the Exchange Act after the date of this Official Statement and prior to the termination of the offering of securities under the Official Statement, excluding any information "furnished" to the SEC on Form 8-K.

Fannie Mae makes no representation as to the contents of this Official Statement, the suitability of the Bonds for any investor, the feasibility of performance of any project, or compliance with any securities, tax or other laws or regulations. Fannie Mae's role with respect to the Bonds is limited to issuing and discharging its obligations under the applicable Credit Enhancement Instrument (defined below) and exercising the rights reserved to it in the Resolution and the applicable Reimbursement Agreement.

Fannie Mae Credit Enhancement Instrument. Supplemental Security in the form of a Fannie Mae Credit Enhancement Instrument may be provided with respect to a Mortgage Loan (a "Credit Enhancement Instrument"). Each Credit Enhancement Instrument is or will be in an amount at least equal to 100% of the outstanding principal balance of the applicable Mortgage Loan plus 34 days' interest on such Mortgage Loan. Such Credit Enhancement Instrument shall not by its terms terminate while the applicable Mortgage Loan remains outstanding.

A Credit Enhancement Instrument need not meet the requirements under the Resolution for a Credit Facility. Such Credit Enhancement Instruments will not be pledged to the owners of the Bonds; however, any payments received by the Trustee from Fannie Mae pursuant to a Credit Enhancement Instrument constitute Revenues and therefore will be pledged for the benefit of the owners of the Bonds. Upon the making of a Mortgage Loan, the Agency assigns such loan to Fannie Mae and the Trustee and the Trustee assigns its interest to Fannie Mae. Each Credit Enhancement Instrument is a direct-pay credit enhancement instrument and will be drawn upon by the Trustee to make the required mortgage payments on the applicable Mortgage Loan. If the Mortgagor fails to reimburse Fannie Mae for the amount drawn, Fannie Mae may direct the Trustee to draw on the Credit Enhancement Instrument to (i) pay an amount equal to the outstanding principal balance of such Mortgage Loan plus accrued interest and direct the Trustee to apply any Bond proceeds held for the applicable Mortgage Loan as a prepayment of such Mortgage Loan, or (ii) pay the entire principal amount of such Mortgage Loan plus accrued interest and direct the Trustee to transfer any Bond proceeds held for the applicable Mortgage Loan to Fannie Mae. Upon such draw, Fannie Mae as assignee of the Mortgage Loan may foreclose or accept a deed in lieu of foreclosure or comparable conversion of the Mortgage Loan or take any other enforcement action permitted under the Mortgage, which Mortgage will be free and clear of the pledge and lien of the Resolution. In the event of a Wrongful Dishonor by Fannie Mae in which it fails to make an advance to the Trustee under the Credit Enhancement Instrument upon proper presentation of conforming documents, Fannie Mae agrees (i) that all rights under the Mortgage Loan shall automatically without any further action on the part of the Trustee or Fannie Mae revert to the Trustee, and (ii) to execute and deliver such documents as may be reasonably necessary to evidence the reversion of the rights under the Mortgage Loan to the Trustee.

Letters of Credit

Supplemental Security in the form of a letter of credit issued by a bank or other financial institution may be provided with respect to a Mortgage Loan, either during the period of construction or rehabilitation of the applicable Project only (a "Construction LOC") or with the provision for such letter of credit to be extended after completion of construction or rehabilitation (a "Long-term LOC"). Each Construction LOC is or will be in an amount at least equal to the principal amount of the applicable Mortgage Loan plus 60 days' interest on such Mortgage Loan. Such Construction LOC shall not by its terms terminate prior to the date of the Mortgage Loan Mandatory Prepayment for the applicable Mortgage Loan.

The Long-term LOCs and the Construction LOCs need not meet the requirements under the General Resolution for a Credit Facility. Such letters of credit will not be pledged to the owners of the Bonds; however, any payments received by the Agency from the letter of credit provider pursuant to such letter of credit constitute Revenues and therefore will be pledged for the benefit of the owners of the Bonds. It is anticipated that the applicable Long-term LOC or the Construction LOC will be drawn upon by the Agency to make the required mortgage payments on the applicable Mortgage Loan. If the applicable Mortgagor fails to reimburse the provider of the Long-term LOC or the Construction LOC for the amount drawn, the provider may, immediately or at any time thereafter, direct the Agency to draw on the Long-term LOC or the Construction LOC in an amount equal to the outstanding principal balance of the applicable Mortgage Loan plus the lesser of (i) accrued interest for 60 days or (ii) the maximum amount available under the Long-term LOC or the Construction LOC with respect to accrued interest. Upon such draw, such Mortgage Loan will be immediately assigned to the provider of the applicable Long-term LOC or the Construction LOC and no longer be pledged for the benefit of the Holders of the Bonds and will be free and clear of the pledge and lien of the General Resolution.

In the case of a Construction LOC, the commitment from the Agency may require that the applicable Mortgagor obtain other Supplemental Security to be in effect following the completion of construction or rehabilitation. In such case, the receipt by the Agency of such Supplemental Security will be a condition to the Agency's release of the Construction LOC. If a Construction LOC is not released because of a failure by the Mortgagor of a Project to deliver the other Supplemental Security or to comply with any other conditions enumerated in its commitment with the Agency and if said Construction LOC is not extended beyond its maturity until such conditions are satisfied, it is expected that said Construction LOC will be drawn upon by the Agency as described in the preceding paragraph.

The information contained in this section relates to the banks providing or agreeing to provide the Construction LOCs (the "Construction LOC Banks"). The information concerning the Construction LOC Banks is furnished solely to provide limited introductory information and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced in the information concerning the Construction LOC Banks. None of such information or any of the statements referred to in the following descriptions of the Construction LOC Banks is guaranteed as to accuracy or completeness by the Agency or is to be construed as a representation by the Agency. The delivery of this Official Statement shall not create any implication that there has been no change in the affairs of the Construction LOC Banks since the dates referenced in their respective disclosure, or that the information contained or referred to in this Official Statement is correct as of any time subsequent to such dates.

The following table provides information regarding Construction LOCs for the Mortgage Loans as of the date of this Official Statement. As described under "PLAN OF FINANCING," JPMorgan Chase Bank, National Association is expected to provide a Construction LOC for one 2014 Mortgage Loan in the approximate aggregate amount of $12,665,000, Manufacturers and Traders Trust Company ("M&T Bank") is expected to provide a Construction LOC for one 2014 Mortgage Loan in the approximate amount of $30,000,000, Citibank, N.A. is expected to provide a Construction LOC for one 2014 Mortgage Loan in the approximate amount of $17,355,000 and Citizens Bank, National Association is expected to provide a

Construction LOC for one 2014 Mortgage Loan in the approximate amount of $8,095,000 (which Construction LOC will be confirmed by a letter of credit provided by the Federal Home Loan Bank of Boston), which are not included in the chart below.

Construction LOC Bank(s)	Number of LOCs	Original Principal Amount of Mortgage Loans*
Bank of America, N.A.	2	$ 42,500,000
Capital One, National Association	1	13,500,000
Capital One, National Association, confirmed by Federal Home Loan Bank of Atlanta***	1	24,250,000
Citibank, N.A.	1	26,450,000
The Bank of New York Mellon	2	45,730,000
JPMorgan Chase Bank, N.A.	17	199,185,000
First Niagara Bank, N.A. confirmed by Federal Home Loan Bank of New York**	4	48,240,000
Bank of America, N.A. confirmed by Federal Home Loan Bank of Atlanta***	1	18,250,000
NBT Bank, N.A. supported by U.S. Bank National Association	3	33,880,000
Signature Bank, supported by U.S. Bank National Association	1	5,225,000
TD Bank, N.A.	2	60,350,000
Wells Fargo Bank, National Association	1	28,700,000
Total:	36	$546,260,000

* Each Construction LOC is in a stated amount equal to the outstanding principal balance of the applicable Mortgage Loan and an interest component which will both be available to be drawn upon to make the required mortgage payments on the applicable Mortgage Loan. (See "Plan of Financing — Supplemental Security" and Exhibit G — "Project and Mortgage Loans Outstanding Under the Program" for further information relating to Construction LOCs).

** The Federal Home Loan Bank of New York LOC will only be drawn upon in the event that the First Niagara Bank, N.A. fails to make a payment under its LOC. The Federal Home Loan Bank of New York LOC permits multiple draws thereunder and provides for reinstatement of the interest component of such draws.

*** The Federal Home Loan Bank of Atlanta LOC will only be drawn upon in the event that Capital One, National Association or Bank of America, N.A., as the case may be, fails to make a payment under its LOC. The Federal Home Loan Bank of Atlanta LOC permits only two draws thereunder and provides for one reinstatement of the interest component.

Each bank providing or confirming a Construction LOC (other than the Federal Home Loan Bank of Atlanta, the Federal Home Loan Bank of New York and the Federal Home Loan Bank of Boston) is a wholly-owned subsidiary of a parent corporation. These parent corporations file annual, quarterly, and certain other reports with the Securities and Exchange Commission (the "SEC"). Such reports are available at the SEC's website at www.sec.gov.

The information below regarding JPMorgan Chase Bank, National Associations, Citibank, N.A., M&T Bank, Citizens Bank, National Association and the Federal Home Loan Bank of Boston (the "FHLB of Boston") has been obtained from such banks for inclusion in this Official Statement.

JPMorgan Chase Bank, National Association

JPMorgan Chase Bank, National Association is a wholly owned bank subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. The Bank offers a wide range of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of June 30th, 2014, JPMorgan Chase Bank, National Association, had total assets of $2,002.0 billion, total net loans of $631.8 billion, total deposits of $1,368.3 billion, and total stockholder's equity of $179.8 billion. These figures are extracted from the Bank's unaudited Consolidated Reports of Condition and Income (the "Call Report") as at June 30th, 2014, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report, including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2013, of JPMorgan Chase & Co., the 2013 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the SEC by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov.

The information contained in this section relates to and has been obtained from JPMorgan Chase Bank, National Association. The delivery of this Official Statement shall not create any implication that there has been no change in the affairs of JPMorgan Chase Bank, National Association since the date hereof, or that the information contained or referred to in this Section is correct as of any time subsequent to its date.

M&T Bank

Manufacturers and Traders Trust Company ("M&T Bank") is a New York commercial bank with its headquarters in Buffalo, New York, and a regional office in Baltimore, Maryland. M&T Bank operates under a charter granted by the State of New York in 1892, and traces the continuity of its banking business to the organization of the Manufacturers and Traders Bank in 1856. At June 30, 2014, M&T Bank had total consolidated assets of approximately $90.1 billion, loans (net of unearned income) of approximately $64.3 billion, deposits of approximately $71.1 billion, and shareholders' equity of approximately $11.3 billion.

M&T Bank Corporation

M&T Bank is a wholly owned subsidiary of M&T Bank Corporation ("M&T"). M&T is incorporated under the laws of New York and is registered as a financial holding company under the Bank Holding Company Act of 1956. Its principal subsidiary is M&T Bank, the assets of which accounted for approximately 99% of M&T's consolidated total assets at June 30, 2014.

The ratings of Moody's Investors Service, Inc., Standard & Poor's Rating Services and Fitch Ratings on the obligations of M&T and M&T Bank as of February 21, 2014, were as follows:

Moody's: Long-term Issuer rating for M&T, 'A3;' long-term deposit/short-term deposit/financial strength ratings for M&T Bank, 'A2/P1/C+', respectively; outlook negative.

Standard & Poor's: Long-term Issuer rating for M&T, 'A-'; long-term deposit/short-term deposit ratings for M&T Bank, 'A/A-1', respectively; outlook negative.

Fitch Ratings: Long-term Issuer rating for M&T, 'A-'; long-term senior debt rating/long-term deposit rating for M&T Bank, A-/A, respectively; short-term deposit rating for M&T Bank, 'F1;' outlook positive.

Regulatory Considerations

As a state-chartered member bank of the Federal Reserve System, M&T Bank is primarily regulated by the Federal Reserve Bank of New York and by the New York State Department of Financial Services. The Federal Reserve Bank of New York examines M&T Bank and supervises numerous aspects of M&T Bank's business and has the authority to prohibit M&T Bank from engaging in any activity, which, in its judgment, constitutes an unsafe or unsound practice. In addition, the deposits of M&T Bank are insured up to applicable limits by the Bank Insurance Fund of the Federal Deposit Insurance Corporation (the "FDIC"), and M&T Bank is subject to certain regulations of the FDIC, including insurance premium assessments.

FIRREA

Pursuant to certain provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 ("FIRREA"), if an insured depository institution becomes insolvent and the FDIC is appointed its conservator or receiver, the FDIC may, under FIRREA, disaffirm or repudiate any contract or lease to which such institution is a party, the performance of which is determined to be burdensome, and the disaffirmance or repudiation of which is determined to promote the orderly administration of the institution's affairs.

Federal Reserve Board Capital Adequacy Guidelines

M&T Bank is subject to the capital adequacy guidelines issued by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"). Under the guidelines, a bank is "adequately capitalized" if its ratio of Tier 1 capital to risk-weighted assets is 4%, its ratio of Tier 1 capital plus Tier 2 capital ("total capital") to risk-weighted assets is 8% and its "leverage ratio" of Tier 1 capital to average total assets is 4.0%. Tier 1 capital consists of common equity, retained earnings and a limited amount of non-cumulative perpetual preferred stock less goodwill and certain other adjustments. Tier 2 capital consists of other preferred stock, certain hybrid debt/equity instruments, a limited amount of term subordinated debt and a limited amount of the reserve for possible credit losses. The federal banking agencies maintain the risk-based capital standards in order to ensure that the standards take adequate account of interest rate risk, concentration of credit risk, the risk of nontraditional activities and equity investments in non-financial companies, as well as reflect the actual performance and expected risk of loss on certain multifamily housing loans. Applicable regulations provide that most banks will be expected to maintain the minimum leverage ratio plus an additional 100 to 200 basis-point cushion. Failure to meet applicable capital guidelines could subject M&T Bank to a variety of enforcement remedies available to federal regulatory authorities. As of June 30, 2014, M&T Bank's Tier 1 capital ratio was 10.25%, its total capital ratio was 13.08% and its Tier 1 leverage ratio was 8.93%, all of which exceeded the required capital ratios for classification as "well capitalized," the highest classification under the regulatory capital guidelines.

FDICIA

The Federal Deposit Insurance Corporation Improvement Act of 1991 ("FDICIA") subjects banks to significantly increased regulation and supervision. Among other things, FDICIA requires federal bank regulatory authorities to take "prompt corrective action" ("PCA") in respect of banks that do not meet minimum capital requirements. FDICIA establishes five capital tiers: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized. The three undercapitalized categories are based upon the amount by which a bank falls below the ratios applicable to adequately capitalized institutions.

Under FDICIA, a bank that is not well capitalized is generally prohibited from accepting brokered deposits and offering interest rates on deposits higher than the prevailing rate in its market. In addition, pass-through insurance coverage may not be available for certain employee benefit accounts. Undercapitalized banks are subject to limitations on growth and the payment of dividends and are required to submit a capital restoration plan. If a bank fails to submit an acceptable plan, it is treated as if it is significantly undercapitalized. Significantly undercapitalized banks are subject to a number of requirements and restrictions, including orders to sell sufficient voting stock to become adequately capitalized, requirements to reduce total assets and cessation of receipt of deposits from correspondent banks. Critically undercapitalized banks (which are defined to include banks with positive net worth) are generally subject to the mandatory appointment of a conservator or receiver.

Dodd-Frank Act

The events of the past few years have led to numerous new laws in the United States and internationally for financial institutions. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act" or "Dodd-Frank"), which was enacted in July 2010, significantly restructures the financial regulatory regime in the United States and provides for enhanced supervision and prudential standards for, among other things, bank holding companies, like M&T, that have total consolidated assets of $50 billion or more. The implications of the Dodd-Frank Act for M&T's businesses will depend to a large extent on the manner in which rules adopted pursuant to the Dodd-Frank Act are implemented by the primary U.S. financial regulatory agencies as well as potential changes in market practices and structures in response to the requirements of the Dodd-Frank Act and financial reforms in other jurisdictions.

The Dodd-Frank Act broadened the base for FDIC insurance assessments. Beginning in the second quarter of 2011, assessments are based on average consolidated total assets less average Tier 1 capital and certain allowable deductions of a financial institution. The Dodd-Frank Act also permanently increased the maximum amount of deposit insurance for banks, savings institutions and credit unions to $250,000 per depositor, retroactive to January 1, 2009.

The Dodd-Frank Act established a new Bureau of Consumer Financial Protection ("CFPB") with broad powers to supervise and enforce consumer protection laws. The CFPB has broad rule-making authority for a wide range of consumer protection laws that apply to all banks and savings institutions, including the authority to prohibit "unfair, deceptive or abusive" acts and practices. The CFPB has examination and enforcement authority over all banks and savings institutions with more than $10 billion in assets.

In addition, the Dodd-Frank Act, among other things:

- weakened the federal preemption rules that have been applicable for national banks and gives state attorneys general the ability to enforce federal consumer protection laws;

- amended the Electronic Fund Transfer Act ("EFTA") which resulted in, among other things, the Federal Reserve Board issuing rules aimed at limiting debit-card interchange fees; Dodd-Frank provided that debit card interchange fees must be reasonable and proportional to the cost incurred by the issuer with respect to the transaction. This provision is known as the "Durbin Amendment." The Federal Reserve Board adopted regulations (the "Current Rule"), which became effective on October 1, 2011, setting the maximum permissible interchange fee as the sum of 21 cents per transaction and 5 basis points multiplied by the value of the transaction, with an additional adjustment of up to one cent per transaction if the issuer implements certain fraud-prevention standards. On July 31, 2013, the U.S. District Court for the District of Columbia issued an order granting summary judgment to the plaintiffs in a case challenging certain provisions of the Current Rule. The Court held that, in adopting the Current Rule, the Federal Reserve Board violated the Durbin Amendment's provisions concerning which costs are allowed to be taken into account for purposes of setting fees

that are "reasonable and proportional to the costs incurred by the issuer" and therefore the Current Rule's maximum permissible fees were too high. In addition, the Court held that the Current Rule's network non-exclusivity provisions concerning unaffiliated payment networks for debit cards also violated the Durbin Amendment. The Court vacated the Current Rule. The Court's judgment was stayed in September 2013 pending appeal by the Federal Reserve Board. In March 2014, a panel of the United States Court of Appeals for the District of Columbia overturned the U.S. District Court's ruling almost in its entirety, remanding to the Federal Reserve Board for further consideration or explanation of the issue of its treatment of transactions-monitoring costs.

- applied the same leverage and risk-based capital requirements that apply to insured depository institutions to most bank holding companies;

- provided for an increase in the FDIC assessment for depository institutions with assets of $10 billion or more and increased the minimum reserve ratio for the deposit insurance fund from 1.15% to 1.35%;

- imposed comprehensive regulation of the over-the-counter derivatives market, which would include certain provisions that would effectively prohibit insured depository institutions from conducting certain derivatives businesses in the institution itself;

- repealed the federal prohibitions on the payment of interest on demand deposits, thereby permitting depository institutions to pay interest on business transaction and other accounts;

- provided mortgage reform provisions regarding a customer's ability to repay, restricting variable-rate lending by requiring the ability to repay to be determined for variable-rate loans by using the maximum rate that will apply during the first five years of a variable-rate loan term, and making more loans subject to provisions for higher cost loans, new disclosures, and certain other revisions; and

- created the Financial Stability Oversight Council, which will recommend to the Federal Reserve Board increasingly strict rules for capital, leverage, liquidity, risk management and other requirements as companies grow in size and complexity.

Enhanced Supervision and Prudential Standards

Section 165 of the Dodd-Frank Act directed the Federal Reserve Board to enact enhanced prudential standards applicable to foreign banking organizations and bank holding companies with total consolidated assets of $50 billion or more, such as M&T. On February 18, 2014, the Federal Reserve Board adopted amendments to Regulation YY to implement certain of the required enhanced prudential standards. These enhanced prudential standards, which are intended to help increase the resiliency of the operations of these organizations, include liquidity requirements, requirements for overall risk management (including establishing a risk committee), and a 15-to-1 debt-to-equity limit for companies that the Financial Stability Oversight Council has determined pose a grave threat to financial stability. M&T will have to comply with the liquidity requirements and risk management requirements by January 1, 2015. The Federal Reserve Board has not yet adopted final single counterparty credit limits or early remediation requirements.

The rule addresses a diverse array of regulatory areas, each of which is highly complex. In some instances they implement new financial regulatory requirements and in other instances they overlap with regulatory reforms currently in existence (such as the Basel III capital and liquidity reforms discussed below). M&T is analyzing the impact of the final rule on its businesses; however, the full impact will not be known until the rule and other regulatory initiatives that overlap with the final rule can be analyzed.

Volcker Rule

The Dodd-Frank Act requires the federal financial regulatory agencies to adopt rules that prohibit banks and their affiliates from engaging in proprietary trading and investing in and sponsoring certain unregistered investment companies (defined as hedge funds and private equity funds). The statutory provision is commonly called the "Volcker Rule." On December 10, 2013, the federal banking regulators and the SEC adopted final rules to implement the Volcker Rule. M&T believes that it does not engage in any significant amount of proprietary trading as defined in the Volcker Rule and that, although it may be required by the covered funds provisions to divest certain investments by the end of the compliance period, the Volcker Rule is not expected to have a significant effect on M&T's financial condition or its results of operations. Although the Volcker Rule became effective on July 21, 2012 and the final rules became effective April 1, 2014, in connection with the adoption of the final rules on December 10, 2013 by the responsible agencies, the Federal Reserve issued an order extending the period during which institutions have to conform their activities and investments to the requirements of the Volcker Rule to July 21, 2015.

Capital Requirements – Basel III and the New Capital Rules

In July 2013, the federal banking agencies approved final rules (the "New Capital Rules") establishing a new comprehensive capital framework for U.S. banking organizations. The New Capital Rules generally implement the Basel Committee on Banking Supervision's ("Basel Committee") December 2010 final capital framework referred to as "Basel III" for strengthening international capital standards. The New Capital Rules substantially revise the risk-based capital requirements applicable to bank holding companies and their depository institution subsidiaries, including M&T, M&T Bank and Wilmington Trust, N.A., as compared to the current U.S. general risk-based capital rules. The New Capital Rules revise the definitions and the components of regulatory capital, as well as address other issues affecting the numerator in banking institutions' regulatory capital ratios. The New Capital Rules also address asset risk weights and other matters affecting the denominator in banking institutions' regulatory capital ratios and replace the existing general risk-weighting approach, which was derived from the Basel I capital accords, with a more risk-sensitive approach based, in part, on the "standardized approach" in the Basel II capital accords. In addition, the New Capital Rules implement certain provisions of the Dodd-Frank Act, including the requirements of Section 939A to remove references to credit ratings from the federal agencies' rules. The New Capital Rules are effective for M&T on January 1, 2015, subject to phase-in periods for certain of their components and other provisions.

Among other matters, the New Capital Rules: (i) introduce a new capital measure called "Common Equity Tier 1" ("CET1") and related regulatory capital ratio of CET1 to risk-weighted assets; (ii) specify that Tier 1 capital consists of CET1 and "Additional Tier 1 capital" instruments meeting certain revised requirements; (iii) mandate that most deductions/adjustments to regulatory capital measures be made to CET1 and not to the other components of capital; and (iv) expand the scope of the deductions from and adjustments to capital as compared to existing regulations. Under the New Capital Rules, for most banking organizations, including M&T, the most common form of Additional Tier 1 capital is non-cumulative perpetual preferred stock and the most common forms of Tier 2 capital are subordinated notes and a portion of the allowance for loan and lease losses, in each case, subject to the New Capital Rules' specific requirements.

Pursuant to the New Capital Rules, the minimum capital ratios as of January 1, 2015 will be as follows:

- 4.5% CET1 to risk-weighted assets;
- 6.0% Tier 1 capital (that is, CET1 plus Additional Tier 1 capital) to risk-weighted assets;
- 8.0% Total capital (that is, Tier 1 capital plus Tier 2 capital) to risk-weighted assets; and
- 4.0% Tier 1 capital to average consolidated assets as reported on consolidated financial statements (known as the "leverage ratio").

The New Capital Rules also introduce a new "capital conservation buffer," composed entirely of CET1, on top of these minimum risk-weighted asset ratios. The capital conservation buffer is designed to absorb losses during periods of economic stress. Banking institutions with a ratio of CET1 to risk-weighted assets above the minimum but below the capital conservation buffer will face constraints on dividends, equity and other capital instrument repurchases and compensation based on the amount of the shortfall. Thus, when fully phased-in on January 1, 2019, the capital standards applicable to M&T will include an additional capital conservation buffer of 2.5% of CET1, effectively resulting in minimum ratios inclusive of the capital conservation buffer of (i) CET1 to risk-weighted assets of at least 7%, (ii) Tier 1 capital to risk-weighted assets of at least 8.5%; (iii) Total capital to risk-weighted assets of at least 10.5% and (iv) a minimum leverage ratio of 4%, calculated as the ratio of Tier 1 capital to average assets (as compared to a current minimum leverage ratio of 3% for banking organizations that either have the highest supervisory rating or have implemented the appropriate federal regulatory authority's risk-adjusted measure for market risk). In addition, M&T is also subject to the Federal Reserve Board's capital plan rule and supervisory Capital Analysis and Review ("CCAR") process, pursuant to which its ability to make capital distributions and repurchase or redeem capital securities may be limited unless M&T is able to demonstrate its ability to meet applicable minimum capital ratios and currently a 5% minimum Tier 1 common equity ratio, as well as other requirements, over a nine quarter planning horizon under a "severely adverse" macroeconomic scenario generated yearly by the federal bank regulators.

The New Capital Rules provide for a number of deductions from and adjustments to CET1. These include, for example, the requirement that mortgage servicing rights, deferred tax assets arising from temporary differences that could not be realized through net operating loss carrybacks and significant investments in non-consolidated financial entities be deducted from CET1 to the extent that any one such category exceeds 10% of CET1 or all such items, in the aggregate, exceed 15% of CET1.

In addition, under the current general risk-based capital rules, the effects of accumulated other comprehensive income or loss ("AOCI") items included in shareholders' equity (for example, marks-to-market of securities held in the available-for-sale portfolio) under U.S. GAAP are reversed for the purposes of determining regulatory capital ratios. Pursuant to the New Capital Rules, the effects of certain AOCI items are not excluded; however, non-advanced approaches banking organizations, including M&T, may make a one-time permanent election to continue to exclude these items. The New Capital Rules preclude certain hybrid securities, such as trust preferred securities, from inclusion in bank holding companies' Tier 1 capital, subject to phase-out in the case of bank holding companies, such as M&T, that had $15 billion or more in total consolidated assets as of December 31, 2009. As a result, beginning in 2015 25% of M&T's trust preferred securities will be includable in Tier 1 capital, and in 2016 and thereafter, none of M&T's trust preferred securities will be includable in Tier 1 capital. Trust preferred securities no longer included in M&T's Tier 1 capital may nonetheless be included as a component of Tier 2 capital on a permanent basis without phase-out and irrespective of whether such securities otherwise meet the revised definition of Tier 2 capital set forth in the New Capital Rules. In February 2014, M&T redeemed all of the 8.50% junior subordinated debentures associated with the trust preferred capital securities of M&T Capital Trust IV. Additionally, M&T issued $350 million of preferred stock during the first quarter of 2014 that qualifies as Tier 1 regulatory capital.

Management believes that M&T will be able to comply with the revised capital adequacy requirements upon their implementation. More specifically, management estimates that M&T's ratio of CET1 to risk-weighted assets under the New Capital Rules on a fully phased-in basis was approximately 9.42% as of June 30, 2014, reflecting a good faith estimate of the computation of CET1 and M&T's risk-weighted assets under the methodologies set forth in the New Capital Rules.

Liquidity Ratios under Basel III

Historically, regulation and monitoring of bank and bank holding company liquidity has been addressed as a supervisory matter, both in the U.S. and internationally, without required formulaic measures. The Basel III final framework requires banks and bank holding companies to measure their liquidity against specific liquidity tests. One test, referred to as the liquidity coverage ratio ("LCR"), is designed to ensure that

the banking entity maintains an adequate level of unencumbered high-quality liquid assets equal to the entity's expected net cash outflow for a 30-day time horizon (or, if greater, 25% of its expected total cash outflow) under an acute liquidity stress scenario. The other, referred to as the net stable funding ratio ("NSFR"), is designed to promote more medium- and long-term funding of the assets and activities of banking entities over a one-year time horizon. These requirements will incent banking entities to increase their holdings of U.S. Treasury securities and other sovereign debt as a component of assets and increase the use of long-term debt as a funding source.

In October 2013, the federal banking agencies proposed rules implementing the LCR for advanced approaches institutions and a modified version of the LCR for bank holding companies with at least $50 billion in total consolidated assets that are not advanced approaches institutions. M&T is not an advanced approaches institution and would only be required to comply with the modified LCR, which as currently written, among other differences from the LCR, only uses a 21-day time horizon for calculating the level of required high-quality liquid assets under a stress scenario. The proposed rule would be phased in over a two-year period beginning January 1, 2015, with 80% compliance required on January 1, 2015, 90% compliance on January 1, 2016 and 100% compliance on January 1, 2017. Additionally, while the proposed rules do not implement the NSFR, the Federal Reserve Board has stated its intent to adopt a version of the NSFR as well.

The Federal Reserve Board's proposed heightened prudential requirements for bank holding companies with $50 billion or more of consolidated total assets also include enhanced liquidity standards.

Stress Testing and Capital Plan Review

As part of the enhanced prudential requirements applicable to systemically important financial institutions, the Federal Reserve Board conducts annual analyses of bank holding companies with at least $50 billion in assets, such as M&T, to determine whether the companies have sufficient capital on a consolidated basis necessary to absorb losses in three economic and financial scenarios generated by the Federal Reserve Board: baseline, adverse and severely adverse scenarios. The Federal Reserve Board makes its methodologies and data for upcoming analyses available no later than November 15 of each year. M&T is also required to conduct its own semi-annual stress analysis (together with the Federal Reserve Board's stress analysis, the "stress tests") to assess the potential impact on M&T of the economic and financial conditions used as part of the Federal Reserve Board's annual stress analysis. The Federal Reserve Board may also use, and require companies to use, additional components in the adverse and severely adverse scenarios or additional or more complex scenarios designed to capture salient risks to specific business groups. M&T Bank is also required to conduct annual stress testing using the same economic and financial scenarios as M&T and report the results to the Federal Reserve Board. A summary of results of the Federal Reserve Board's analysis under the adverse and severely adverse stress scenarios will be publicly disclosed, and the bank holding companies subject to the rules, including M&T, must disclose a summary of the company-run severely adverse stress test results. M&T is required to include in its disclosure a summary of the severely adverse scenario stress test conducted by M&T Bank.

In addition, bank holding companies with total consolidated assets of $50 billion or more, such as M&T, must submit annual capital plans for approval as part of the Federal Reserve Board's CCAR process. Covered bank holding companies may execute capital actions, such as paying dividends and repurchasing stock, only in accordance with a capital plan that has been reviewed and approved by the Federal Reserve Board (or any approved amendments to such plan). The comprehensive capital plans, which are currently prepared using "Basel I" capital guidelines, include a view of capital adequacy under four scenarios — a bank holding company-defined baseline scenario, a baseline scenario provided by the Federal Reserve Board, at least one bank holding company -defined stress scenario, and a stress scenario provided by the Federal Reserve Board. The CCAR process is intended to help ensure that these bank holding companies have robust, forward-looking capital planning processes that account for each company's unique risks and that permit continued operations during times of economic and financial stress. Each of the bank holding companies participating in the CCAR process is also required to collect and report certain related data to the Federal Reserve Board on a

quarterly basis to allow the Federal Reserve Board to monitor progress against the approved capital plans. Each capital plan must include a view of capital adequacy under the stress test scenarios described above.

The Federal Reserve Board may object to a capital plan if the plan does not show that the covered bank holding company will maintain a Tier 1 common equity ratio (as defined under the Basel I framework) of at least 5% on a pro forma basis under expected and stressful conditions throughout the nine-quarter planning horizon covered by the capital plan. Even if such quantitative thresholds are met, the Federal Reserve Board could object to a capital plan for qualitative reasons, including inadequate assumptions in the plan, other unresolved supervisory issues or an insufficiently robust capital adequacy process, or if the capital plan would otherwise constitute an unsafe or unsound practice or violate law. The rules also provide that a covered bank holding company may not make a capital distribution unless after giving effect to the distribution it will meet all minimum regulatory capital ratios and have a ratio of Tier 1 common equity to risk-weighted assets of at least 5%. The CCAR rules, consistent with prior Federal Reserve Board guidance, also provide that capital plans contemplating dividend payout ratios exceeding 30% of after-tax net income will receive particularly close scrutiny.

In September 2013, the Federal Reserve Board issued an interim final rule amending its stress test and capital plan rules to clarify how bank holding companies with over $50 billion in total consolidated assets should incorporate the recently adopted New Capital Rules for the 2014 CCAR process and the supervisory and company run stress tests. Under the Federal Reserve Board's interim final rule, such bank holding companies must both (i) project their regulatory capital ratios and meet the required minimums under the New Capital Rules for each quarter of the nine-quarter planning horizon in accordance with the minimum capital requirements that are in effect during that quarter and subject to appropriate phase-ins/phase-outs under the new rules and (ii) continue to meet the minimum 5% Tier 1 common equity ratio as calculated under the previously generally applicable risk-based capital rules.

On March 27, 2014, M&T announced that the Federal Reserve Board did not object to M&T's proposed 2014 CCAR capital plan. On March 24, 2014 the Federal Reserve Board released revised results of the 2014 Dodd-Frank Act Stress Test, which are available on the Federal Reserve Board's website at www.federalreserve.gov. On March 27, 2014 M&T released the results of its "company-run" 2014 Dodd-Frank Act Stress Test, which are available on M&T's website and can be found at http://ir.mandtbank.com/ under Regulatory Disclosures.

Additional information concerning Dodd-Frank, the Basel III guidelines, stress-testing and capital plan review and other aspects of financial services regulation relevant to M&T and its bank subsidiaries is contained in M&T's Annual Report on Form 10-K for the year ended December 31, 2013. See "*Available Information,*" below.

Available Information

M&T Bank files quarterly reports called "Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices," or "Call Reports," with the FDIC. The Call Reports are publicly available at the FDIC, 550 17th Street, N.W., Washington, D.C. 20429, and are also available through the FDIC's website at *www.fdic.gov*. Each Call Report consists of a balance sheet, income statement, changes in equity capital and other supporting schedules as of the end of the period to which the report relates. The Call Reports are prepared substantially in accordance with generally accepted accounting principles. While the Call Reports are supervisory and regulatory documents, not primarily accounting documents, and do not provide a complete range of financial disclosures about M&T Bank, they do provide important information concerning the financial condition of M&T Bank.

In addition, information regarding M&T's businesses, its financial condition and results of operations is contained in its Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and other filings it makes with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of

1934, as amended. Copies of these reports are available from the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549 or over the Internet on the SEC's website at *http://www.sec.gov*.

The information contained in this Section relates to and has been obtained from M&T Bank. The delivery of this information shall not create any implication that there has been no change in the affairs of M&T Bank since the date of this Official Statement, or that the information contained or referred to above is correct as of any time subsequent to the date of this Official Statement.

The underwriters and their counsel, and the Agency and its counsel, have not independently verified any financial information furnished by M&T Bank, nor have they ascertained the correctness, accuracy, or completeness of such information. In addition, they have not independently determined the financial position of M&T Bank or whether M&T Bank is or will be financially capable of fulfilling its obligations under the Letter of Credit. There can be no assurance that such information is indicative of the current financial position or future financial performance or financial condition of M&T Bank.

THE LETTER OF CREDIT FOR THE APPLICABLE MORTGAGE LOAN IS AN UNSECURED OBLIGATION OF M&T BANK. IT IS NOT A SAVINGS ACCOUNT, CHECKING ACCOUNT OR OTHER DEPOSIT ACCOUNT OBLIGATION OF M&T BANK.

IN THE EVENT OF A DEFAULT BY M&T BANK UNDER THE LETTER OF CREDIT, NO INSURANCE PROCEEDS FROM THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY, INSTRUMENTALITY OR AUTHORITY WOULD BE AVAILABLE TO PAY THE 2014 BONDS.

THE OBLIGATIONS OF M&T BANK UNDER THE LETTER OF CREDIT ARE THE OBLIGATIONS OF M&T BANK AND ARE NOT THE OBLIGATIONS OF THE ISSUER.

Citibank, N.A.

Citibank was originally organized on June 16, 1812, and now is a national banking association organized under the National Bank Act of 1864. Citibank is an indirect wholly owned subsidiary of Citigroup Inc. ("Citigroup"), a Delaware holding company. As of December 31, 2013, the total assets of Citibank and its consolidated subsidiaries represented approximately 70% of the total assets of Citigroup and its consolidated subsidiaries.

The long-term ratings of Citibank and its consolidated subsidiaries are as follows:

Rating Agency	Long-Term	Short-Term	Outlook
Moody's	A2	P-1	Stable
S&P	A	A-1	Stable
Fitch	A	F1	Stable

Citibank is a commercial bank that, along with its subsidiaries and affiliates, offers a wide range of banking and trust services to its customers throughout the United States and the world. As a national bank, Citibank is a regulated entity permitted to engage only in banking and activities incidental to banking. Citibank is primarily regulated by the Office of the Comptroller of the Currency (the "Comptroller"), which also examines its loan portfolios and reviews the sufficiency of its allowance for credit losses.

Citibank's deposits at its U.S. branches are insured by the FDIC and are subject to FDIC insurance assessments. The Letter of Credit is not insured by the FDIC or any other regulatory agency of the United

States or any other jurisdiction. Citibank may, under certain circumstances, be obligated for the liabilities of its affiliates that are FDIC-insured depository institutions.

Under U.S. law, deposits in U.S. offices and certain claims for administrative expenses and employee compensation against a U.S. insured depository institution which has failed will be afforded a priority over other general unsecured claims, including deposits in non-U.S. offices and claims under non-depository contracts in all offices, against such an institution in the "liquidation or other resolution" of such an institution by any receiver. Such priority creditors (including the FDIC, as the subrogee of insured depositors) of such FDIC-insured depository institution will be entitled to priority over unsecured creditors in the event of a "liquidation or other resolution" of such institution.

For further information regarding Citibank, reference is made to the Annual Report on Form 10-K of Citigroup and its subsidiaries for the year ended December 31, 2013, filed by Citigroup with the SEC. Copies of Citigroup's 10-K may be obtained, upon payment of a duplicating fee, by writing to the SEC at 100 F Street, N.E., Washington, D.C. 20549. In addition, Citigroup's 10-K is available at the SEC's web site (http://www.sec.gov).

In addition, Citibank submits quarterly to the Comptroller certain reports called "Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices" ("Call Reports"). The Call Reports are on file with, and publicly available at, the Comptroller's offices at 250 E Street, SW, Washington, D.C. 20219 and are also available on the web site of the FDIC (http://www.fdic.gov). Each Call Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates.

Any of the reports referenced above are available upon request without charge from Citi Document Services by calling toll-free at (877) 936-2737 (outside the United States at (716) 730-8055), by e-mailing a request to docserve@citi.com or by writing to: Citi Document Services, 540 Crosspoint Parkway, Getzville, New York 14068.

The information contained under "Exhibit D—Description of Supplemental Security and Subsidy Programs—Supplemental Security—Letters of Credit—Citibank." in this Official Statement relates to and has been obtained from Citibank. The information concerning Citibank contained herein is furnished solely to provide limited introductory information regarding Citibank and does not purport to be comprehensive. Such information is qualified in its entirety by the detailed information appearing in the documents and financial statements referenced above.

Citizens Bank, National Association

The following information concerning Citizens Bank, National Association ("Citizens Bank") has been provided by representatives of Citizens Bank and has not been independently certified or verified by the Agency, the applicable 2014 Mortgagor or the Underwriters.

Citizens Bank is a national banking association with its main office in Providence, Rhode Island. Except for directors' qualifying shares, Citizens Bank is a wholly-owned subsidiary of Citizens Financial Group, Inc. ("Citizens"). Citizens is also the parent holding company for Citizens Bank of Pennsylvania and numerous other non-bank entities, and is owned by The Royal Bank of Scotland Group plc ("RBS"). RBS acquired Citizens in 1988.

Citizens Bank was chartered in May 2005 under the name "Citizens Bank, National Association". Citizens Bank's name changed from "Citizens Bank, National Association" to "RBS Citizens, National Association" in connection with the mergers of each of the following Citizens subsidiaries — Charter One Bank, National Association, RBS National Bank, Citizens Bank of Massachusetts, Citizens Bank of Connecticut, Citizens Bank New Hampshire, Citizens Bank of Rhode Island, Citizens Bank (Delaware), and

CCO Mortgage Corp. — with and into Citizens Bank, National Association. Citizens Bank, National Association survived these mergers under its charter and with the new title of RBS Citizens, National Association. These mergers (as well as the name change) were effective as of September 1, 2007. Effective April 16, 2014, the name of the bank was changed back to Citizens Bank, National Association in preparation for the planned Initial Public Offering and the eventual planned separation from RBS.

Citizens Bank offers a wide range of retail and commercial banking services. Its loan portfolio is divided between commercial loans, including leases and commercial real estate loans, and consumer loans, including residential real estate mortgage loans. Citizens Bank does business through its divisions, including Citizens Bank, Charter One, CCO Mortgage and RBS Card Services.

Citizens Bank is subject to supervision and examination by the Office of the Comptroller of the Currency. It is also subject to requirements and restrictions under federal and state law, including requirements to maintain reserves against deposits, restrictions on the types and amounts of loans that may be granted and the interest that may be charged thereon, and limitations on the types of investments that may be made and the types of services that may be offered. Various consumer laws and regulations also affect Citizens Bank's operations.

The Letter of Credit is an obligation of Citizens Bank, and is not an obligation of Citizens, RBS or any of their other subsidiaries or affiliates.

Citizens is a Providence-based commercial bank holding company. As of June 30, 2014, Citizens had $130.6 billion in assets, total equity capital of $19.6 billion, total deposits of $92 billion, total loans and leases before allowance for loan losses of $88.8 billion ($87.6 billion net of allowance) and 18,049 full time equivalent employees.

Based on the annual Summary of Deposits report for June 30, 2014, Citizens Bank had 911 branches. As of June 30, 2014, Citizens Bank had total assets of $100.6 billion, total deposits of $69.5 billion, total loans and leases before allowance for loan losses of $72.4 billion ($71.4 billion net of allowance), and total equity capital of $15.9 billion.

The foregoing summary information is provided for convenience purposes only. Important additional information with respect to Citizens and Citizens Bank is contained in the publicly available portions of Citizens Bank's Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices - FFIEC 031, as submitted to the Federal Deposit Insurance Corporation.

Except as set forth in this Exhibit D, neither Citizens Bank nor its affiliates make any representations as to the contents of this Official Statement, the suitability of the security instruments for any investor, the feasibility or performance of any project or compliance with any securities or tax laws and regulations.

FHLB of Boston

The Federal Home Loan Bank of Boston ("FHLB Boston") is a federally chartered corporation organized by Congress in 1932 and is a government-sponsored enterprise (GSE). FHLB Boston is privately capitalized and its mission is to serve the residential-mortgage and community-development lending activities of its member institutions and housing associates located in the New England region. Altogether, there are 12 district Federal Home Loan Banks ("FHLBanks") located across the United States (U.S.), each supporting the lending activities of member financial institutions within their specific regions. Each FHLBank is a separate entity with its own board of directors, management, and employees.

FHLB Boston combines private capital and public sponsorship that enables its member institutions and housing associates to assure the flow of credit and other services for housing and community development.

FHLB Boston serves the public through its member institutions and housing associates by providing these institutions with a readily available, low-cost source of funds, thereby enhancing the availability of residential-mortgage and community-investment credit. In addition, FHLB Boston provides members a means of liquidity through a mortgage-purchase program. Under this program, members are offered the opportunity to originate mortgage loans for sale to FHLB Boston. FHLB Boston's primary source of income is derived from the spread between interest-earning assets and interest-bearing liabilities. FHLB Boston borrows funds at favorable rates due to its GSE status.

FHLB Boston's members and housing associates are comprised of institutions located throughout the New England region. The region is comprised of Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont. Institutions eligible for membership include thrift institutions (savings banks, savings and loan associations, and cooperative banks), commercial banks, credit unions, community development financial institutions, and insurance companies that are active in housing finance. FHLB Boston is also authorized to lend to certain nonmember institutions (called housing associates) such as state housing-finance agencies located in New England. Members are required to purchase and hold FHLB Boston's capital stock for advances and certain other activities transacted with FHLB Boston. The par value of FHLB Boston's capital stock is $100 and is not publicly traded on any stock exchange. In addition, the U.S. government guarantees neither the member's investment in nor any dividend on FHLB Boston's stock. FHLB Boston is capitalized by the capital stock purchased by its members and by retained earnings. Members may receive dividends, which are determined by FHLB Boston's board of directors, and may redeem their capital stock at par value after satisfying certain requirements. The Federal Housing Finance Agency (Finance Agency), an independent agency in the executive branch of the U.S. government, supervises and regulates the FHLBanks.

The Office of Finance was established to facilitate the issuing and servicing of consolidated obligations (COs) of the FHLBanks. These COs are issued on a joint basis. The FHLBanks, through the Office of Finance as their agent, are the issuers of COs for which they are jointly and severally liable. The Office of Finance also provides the FHLBanks with credit and market data and maintains the FHLBanks' joint relationships with credit-rating agencies.

Moody's Investors Service, Inc. ("Moody's") currently rates FHLB Boston's long-term bank deposits as "Aaa" and short-term bank deposits as "P-1". Standard & Poor's Ratings Services, a Division of the McGraw-Hill Companies, Inc. ("Standard & Poor's) rates FHLB Boston's long-term issuer credit as "AA+" and its short-term issuer credit as "A-1+". Further information with respect to such ratings may be obtained from Moody's and Standard & Poor's, respectively. No assurances can be given that the current ratings of FHLB Boston and its instruments will be maintained.

FHLB Boston refers any purchaser or prospective purchaser of the 2014 Bonds to all annual, quarterly and current reports filed by FHLB Boston with the SEC.

FHA Insurance Program

General. The following describes briefly the multi-family mortgage insurance program administered by the United States Department of Housing and Urban Development ("HUD"), acting through the Federal Housing Administration ("FHA"), pursuant to Sections 220, 221(d)(3), 221(d)(4) or 223(f) of the National Housing Act, as amended (the "National Housing Act"), and is qualified in its entirety by reference to the National Housing Act and the regulations thereunder. The applicable FHA regulations regarding such Sections of the National Housing Act are contained in Part 200, Part 220 and Part 221 of Title 24 of the Code of Federal Regulations and, with certain exceptions, incorporate by reference the provisions of Subpart A, Part 207 of Title 24 of the Code of Federal Regulations concerning eligibility requirements of mortgages covering multi-family housing under Section 207 of the National Housing Act and the provisions of Subpart B, Part 207 of Title 24 of the Code of Federal Regulations concerning the contract rights and obligations of the mortgagee with respect to mortgages insured under Section 207 of the National Housing Act. In the event of a conflict between the documents governing the FHA-insured Mortgage Loans, the National Housing Act or the FHA

rules, regulations and program requirements and the Resolutions, the documents governing the FHA-insured Mortgage Loans or provisions of the National Housing Act and FHA rules, regulations and program requirements will be controlling. FHA Insurance benefits under the program are available only if the mortgagee of record is an FHA-approved mortgagee. The Agency has been an FHA-approved mortgagee under the FHA Insurance program since 1960.

FHA regulations define a default under an FHA-insured mortgage (including the note incorporated therein) as: (1) a failure to make any payments due under such mortgage or (2) a failure to perform any other mortgage covenant (which includes covenants in the regulatory agreement executed in connection with such FHA-insured mortgage) if the mortgagee, because of such failure, has accelerated the debt. In the event that there is a default beyond applicable notice and grace periods under the FHA regulatory agreement and FHA so requests, the mortgagee, at its option, may declare the whole indebtedness due and payable. Furthermore, the FHA regulations provide that upon notice of a violation of a mortgage covenant, FHA reserves the right to require the mortgagee to accelerate payment of the outstanding principal in order to protect FHA's interests. A mortgagee is entitled to receive the benefits of the mortgage insurance after the mortgagor has defaulted and such default (as defined in the FHA regulations) has continued for a period of thirty (30) days subject to certain requirements.

It is the responsibility of the mortgagee to notify FHA in the event of such a default by the mortgagor under the mortgage note or mortgage. FHA regulations further require the mortgagee to make an election, within forty-five (45) days after the date on which the mortgagee becomes eligible to receive FHA Insurance benefits, (i) to assign the mortgage to FHA or (ii) to acquire title to and convey the project property to FHA, unless such time period is extended by FHA.

The mortgagee is required to submit all required documentation within forty-five (45) days of the date the mortgage is assigned to FHA unless the time is extended by FHA. The documentation required to be supplied to FHA includes the mortgage note, the mortgage, the security agreement, the financing statements, the title policy, the hazard policy and other instruments, together with assignments of such documents to FHA. If the election is not made or the documents are not delivered within the forty-five (45) days allowed, FHA will not pay the mortgagee interest on sums outstanding from the date the election should have been made or the date the required documents should have been submitted to FHA, whichever is applicable, to the date when the mortgage insurance claim is finally paid, unless FHA has agreed to extend the period with interest.

The FHA Insurance benefits received in the event of any claim under the FHA Insurance contract will be subject to certain deductions. The mortgagee will be entitled to settlement of the insurance claim in cash (or, if elected by the mortgagee, in FHA debentures), upon assignment of the mortgage, in an amount equal to 99% of the amount of the principal balance of a defaulted mortgage loan outstanding as of the date of default, after adjustment for certain expenses and for deposits or assets held by the mortgagee for the benefit of the project and not assigned to FHA. However, the Agency has covenanted in the applicable Supplemental Resolutions to receive insurance claim settlements in cash. FHA Insurance benefits include the payment of interest at the FHA debenture rate on the amount of the insurance claim from the date of default to the date the claim is paid (or such earlier date by which the mortgagee is required to file the election to assign the mortgage or complete submissions as described above, if the mortgagee fails to take such action on a timely basis). The interest rate on the FHA debentures is the rate in effect as of the date of the commitment for FHA Insurance or as of the date of initial endorsement of the note by FHA, whichever is higher. In the case of a monetary default, the date of default is deemed to be the date on which payment on the mortgage loan originally should have been received. Since interest is paid one month in arrears on any FHA-insured Mortgage Loans, the Agency, in the event of a claim for FHA Insurance benefits, will not be reimbursed for interest which has accrued in the previous month and was due and payable on the date of default.

In connection with a claim for FHA Insurance benefits, FHA may require delivery to it of certain cash items. Cash items are defined to include, among other things, any cash held by or on behalf of the mortgagee which has not been applied to reduce the mortgage, funds held by the mortgagee for the account of the

mortgagor, any unadvanced balance of the insured note and any undrawn balance under letters of credit delivered to the mortgagee in connection with endorsement of the insured note. The mortgagee is responsible for all funds in its custody and must therefore obtain approval from FHA and others when required, prior to release of any funds which may be in its possession. Failure to properly protect such funds may result in a deduction from the FHA Insurance benefits in an amount equal to the funds FHA asserts should have properly been held as a deposit.

In the event of an assignment, in order to receive FHA Insurance benefits, FHA requires the mortgagee to make certain warranties with respect to the validity and priority of the mortgage lien and to furnish FHA with a title insurance policy or policies which name FHA as an insured party and which assure that the mortgage constitutes a first lien on the project, subject only to such exceptions previously approved by FHA. The mortgagee will be required to remove any unapproved intervening liens and to obtain an updated title endorsement within the 45-day period (or such longer period as may be approved by FHA) during which documents are required to be submitted. FHA will deduct the amount of any unapproved liens which have priority over the insured mortgage lien from the mortgage insurance benefits.

FHA typically pays a portion of an insurance claim prior to the delivery of all required documentation, including the mortgage note and the mortgage. If a claim is made, FHA will usually, but is not obligated to, pay 90% of the outstanding principal balance of the note within fifteen (15) days of the recordation of an assignment of the mortgage to FHA. Remaining balances are paid to the mortgagee after FHA has received final financial data and final legal clearance has been received. During the period from the date of default on the mortgage until final payment (or such earlier date by which the mortgagee is required to complete submissions as described above), FHA pays interest on the remaining unpaid amount of the insurance claim at the FHA debenture rate.

Under FHA regulations, if the Agency receives proceeds from any policy of casualty insurance, it may not exercise its option under the mortgages related to the FHA-insured Mortgage Loans to use such proceeds for either rebuilding the Projects, prepaying the mortgage notes or for any other disposition without FHA's prior written approval. If FHA fails to give its approval to the use of the insurance proceeds within thirty (30) days after written request by the Agency, the Agency may use or apply the funds for the purposes specified in such mortgages without prior FHA approval.

Regulatory Agreement, Rent Adjustments and HUD's Supervisory Powers. Under the form of regulatory agreement used in connection with projects financed pursuant to FHA-insured mortgage loans (the "Regulatory Agreement"), the mortgagor is required, among other things, to make all payments due under the mortgage loan and to pay a specified amount monthly into the reserve fund for replacements, which must at all times be under the control of state or local housing finance agencies (the "Applicable HFA") and disbursements from which may be made only with HUD's consent or, if authorized by HUD, with the consent of the Applicable HFA. In addition, the mortgagor must deposit all rents and other receipts of the project in a project bank account and may withdraw funds from such account only in accordance with the Regulatory Agreement for expenses of the project, certain required remittances to HUD, or distributions of return on equity. For projects subject to rent regulation by HUD (which include projects assisted with Section 8 contracts), rental increases may be made only with the approval of HUD. At any time HUD will consider a written request for a rental increase if such request is properly supported by substantiating evidence. Within a reasonable time HUD must either:

(1) approve an increase in the rental schedule to compensate for any net increase in taxes other than income taxes and in operating and maintenance expenses over which the mortgagor has no effective control. With respect to certain mortgage loans insured pursuant to Section 223(f) of the National Housing Act, HUD may approve an additional increase giving consideration to the debt associated with any subordinate mortgage on the project provided HUD determines that market conditions warrant an increase sufficient to amortize all or part of such subordinate mortgage on the project and that such an increase will not unduly jeopardize the economic stability of the project because of adverse effects on rent collections or vacancies; or

(2) deny the increase, stating the reasons therefor.

Rent increases for projects assisted with Section 8 contracts are governed by the provisions of the applicable Section 8 contract. Generally, projects insured under Sections 220 and 221(d)(4) of the National Housing Act are not subject to rent regulation by HUD, with certain project-by-project exceptions.

The Regulatory Agreement also contains provisions detailing requirements for tenant eligibility, nondiscrimination, and permissible uses of, or changes to, the project; and prohibits the conveyance, transference or encumbrance of the project or any right to manage the project without the prior written approval of HUD. The mortgagor may not make, receive, or retain any distribution of assets or income from the project except from "surplus cash" and only as permitted under the Regulatory Agreement and applicable laws.

The mortgagor is also prohibited, without the prior written approval of HUD, from remodeling, adding to or demolishing any part of the project or engaging in any other business or activity or incurring any obligation or liability not in connection with the project.

In the event of a violation in the performance of the mortgagor's obligations under the Regulatory Agreement and the mortgagor's failure to cure such violation after receiving notice from HUD, even in the absence of a default under a mortgage note or a mortgage, HUD may (a) notify the Applicable HFA of such default and request the Applicable HFA to declare a default under the mortgage note and the mortgage, and the Applicable HFA may, at its option, declare the whole indebtedness due and thereupon proceed with foreclosure of the mortgage or assign the mortgage note and the mortgage to HUD, (b) collect all rents and charges in connection with the operation of the project and use such collections to pay the mortgagor's obligations under the Regulatory Agreement, the mortgage note and the mortgage and the expenses of maintaining the project, (c) take possession of and operate the project, and (d) apply for an injunction, appointment of a receiver or such other relief as may be appropriate.

The Regulatory Agreement provides that the mortgagor of the project assumes no personal liability for payments due under the related mortgage note and mortgage, for the reserve for replacements or for matters not under its control. The Regulatory Agreement does provide, however, that the mortgagor is liable for funds or property of the project in the possession of the mortgagor and which the mortgagor is not entitled to retain, and for the mortgagor's actions, or those of others which the mortgagor has authorized, in violation of the Regulatory Agreement.

Loss of FHA Insurance. FHA requires the maintenance of specified casualty insurance on mortgaged properties. The mortgagee must obtain such coverage in the event the mortgagor fails to do so. The failure to maintain adequate casualty insurance on a project may result in the partial or full loss of the FHA Insurance benefits in the event of damage to or destruction of such project. FHA Insurance benefits may also be lost for failure to pay required FHA mortgage insurance premiums or failure to provide FHA with required notices. FHA Insurance benefits may also be denied if fraudulent statements were made to FHA by the Applicable HFA or by the mortgagor with the knowledge of the Applicable HFA.

GNMA Mortgage-Backed Securities Program

GNMA Securities are "fully-modified, pass-through" securities which require the mortgagee of record (the "Mortgage Banker") that issued such GNMA Securities or its assignee (i) to make monthly payments of principal and interest on the aggregate principal balance thereof to the holder of the GNMA Securities, whether or not the Mortgage Banker receives payments on the mortgage loans backing the GNMA Securities from the mortgagor, and (ii) to pass through any prepayments of principal and premiums on the mortgage loans received by the Mortgage Banker. GNMA Securities are guaranteed as to full and timely payment of principal and interest by GNMA, a wholly-owned corporate instrumentality of the United States within the Department of Housing and Urban Development with its principal office in Washington, D.C.

GNMA Guaranty. GNMA is authorized by Section 306(g) of Title III of the National Housing Act to guarantee the timely payment of the principal of and interest on securities which are based on and backed by, among other things, an FHA-insured mortgage loan under the National Housing Act. Section 306(g) of the National Housing Act provides further that "the full faith and credit of the United States is pledged to the payment of all amounts which may be required to be paid under any guaranty under this subsection." An opinion, dated December 12, 1969, of an Assistant Attorney General of the United States, states that, under Section 306(g) of the National Housing Act, such guarantees of mortgage-backed securities (of the type to be delivered to the Trustee on behalf of the Agency) are authorized to be made by GNMA and "would constitute general obligations of the United States backed by its full faith and credit."

GNMA guarantees the timely payment of the principal of and interest on the GNMA Security by the Mortgage Banker. Interest and principal payments on the underlying mortgage loans received by the Mortgage Banker from the mortgagor are the primary source of monies for payments on the GNMA Securities. If such payments are less than what is due under the GNMA Security, the Mortgage Banker is obligated to advance its own funds to insure timely payment of all amounts coming due on the GNMA Security. GNMA guarantees such timely payment to the holder of the GNMA Securities by the Mortgage Banker whether or not made by a mortgagor. If such payments are not received as scheduled, the holder of the GNMA Securities has recourse directly to GNMA. The GNMA Securities do not constitute a liability of, nor evidence any recourse against, the Mortgage Banker as the issuer of the GNMA Securities, but recourse thereon is solely against GNMA.

In order to meet its obligations under such guaranty, GNMA, in its corporate capacity under Section 306(d) of Title III of the National Housing Act, may issue its general obligations to the United States Treasury in an amount outstanding at any time sufficient to enable GNMA, with no limitations as to amount, to perform its obligations under its guaranty of the timely payment of the principal of and interest on a GNMA Security. The Treasury is authorized to purchase any obligations so issued by GNMA and has indicated in a letter dated February 13, 1970, from the Secretary of the Treasury to the Secretary of HUD that the Treasury will make loans to GNMA, if needed, to implement the aforementioned guaranty. GNMA further warrants to the holder of each GNMA Security, that, in the event it is called upon at any time to make good its guaranty of the payment of principal and interest on a GNMA Security, it will, if necessary, in accordance with Section 306(d) of the National Housing Act, apply to the Treasury Department of the United States for a loan or loans in amounts sufficient to make payments of principal and interest.

Under the GNMA Mortgage-Backed Securities Program, the Mortgage Banker is obligated to execute a Guaranty Agreement which provides that, in the event of a default by the Mortgage Banker, including (i) a request to GNMA to make a payment of principal or interest on a GNMA Security, (ii) the insolvency of the Mortgage Banker, or (iii) a default by the Mortgage Banker under any other Guaranty Agreement with GNMA, GNMA shall have the right to extinguish the Mortgage Banker's interest in the mortgage loans that back GNMA Securities, which then shall become the absolute property of GNMA, subject only to the unsatisfied rights of the owners of the GNMA Securities. In such event, the GNMA Guaranty Agreement provides that GNMA shall be the successor in all respects to the Mortgage Banker in its capacity under the GNMA Guaranty Agreement and shall be subject to all responsibilities, duties and liabilities (except the Mortgage Banker's indemnification of GNMA) of the Mortgage Banker pursuant to the GNMA Guaranty Agreement. GNMA may contract for another eligible issuer of GNMA Securities to undertake and agree to assume any part or all of such responsibilities, duties or liabilities of the Mortgage Banker, as long as no such agreement detracts from or diminishes the responsibilities, duties or liabilities of GNMA in its capacity as guarantor of the GNMA Security or otherwise adversely affects the rights of the owners of the GNMA Securities.

Payment of Principal and Interest on the GNMA Securities. GNMA Securities provide that accrued interest for thirty (30) days is payable by the Mortgage Banker to the holder of the GNMA Securities on the fifteenth (15^{th}) of each successive month thereafter until maturity of the GNMA Security. The GNMA Securities are payable in equal monthly installments, subject to prepayment. The aggregate amount of

principal due on the GNMA Securities is in an amount equal to the scheduled principal amortization currently due on the underlying mortgage note.

Each of the monthly installments is subject to adjustment by reason of any prepayments or other early or unscheduled recoveries of principal on the mortgage note. In any event, the Mortgage Banker is obligated to pay to the holder of the GNMA Securities, monthly installments of not less than the interest due on the GNMA Securities at the rate specified in the GNMA Securities, together with any scheduled installments of principal whether or not collected from the mortgagor, and any prepayments or early recoveries of principal (including insurance proceeds and condemnation awards that are applied to principal and FHA insurance benefits) and prepayment premiums paid under the Mortgage Note. Final payment shall be made upon surrender of each outstanding GNMA Security. Any such prepayment could result in the redemption of Bonds at any time.

In the event that a mortgagor defaults under an FHA-insured mortgage loan that backs a GNMA Security, the Mortgage Banker may elect to file a claim for FHA Insurance benefits. See "FHA Insurance Program" above.

Under the GNMA Mortgage-Backed Securities Program, the Mortgage Banker is required to service and otherwise administer the mortgage loans in accordance with generally accepted practices of the mortgage banking industry and the GNMA Servicer Guide. The monthly remuneration of the Mortgage Banker, for its servicing and administrative functions, and the guaranty fee charged by GNMA, are based on the unpaid principal amount of GNMA Securities outstanding. Repayment of principal on such GNMA Securities will be based on repayment of the respective mortgage note which, because of the minimum 0.25% higher interest rate on the note will occur more slowly than would repayment by equal installments of principal and interest at the interest rate on the GNMA Securities.

SUBSIDY PROGRAMS

The Projects related to the Mortgage Loans may, but are not required to, be assisted through Federal, state or local subsidy programs, including the Section 236 Program, the Section 8 Program and programs administered by the New York State Office of Mental Health. In some cases, subsidies may be provided with respect to only a portion of the units in a Project. Set forth below is information regarding potential forms of subsidy programs. The subsidy programs, if any, applicable to Projects for which Mortgage Loans are currently outstanding are set forth in "EXHIBIT G—PROJECTS AND MORTGAGE LOANS OUTSTANDING UNDER THE PROGRAM" and the subsidy programs, if any, applicable to Projects for which Mortgage Loans are being financed with the 2014 Bonds are set forth under "PLAN OF FINANCING."

Section 236 Program

General. Pursuant to Section 236(b) of the National Housing Act ("Section 236"), the Secretary of HUD (the "Secretary") entered into certain contracts (each a "Section 236 Contract") to make periodic interest reduction payments to Section 236 mortgagees on behalf of the mortgagors of housing projects designed for occupancy by persons or families as described in Article 2 of the Private Housing Finance Law and families of low income. HUD's interest reduction subsidy payment share is in an amount equal to the difference between the monthly payment for principal, interest and mortgage insurance premiums or mortgage servicing fees, as appropriate, which a mortgagor is obligated to pay under its mortgage loan and the monthly payment for principal and interest a mortgagor would be obligated to pay if its mortgage loan were to bear interest at the rate of one per centum (1%) per annum. Under Section 236, interest reduction payments with respect to a project (the "HUD Payments") shall be made only during the period that such project is operated as a rental or cooperative housing project.

Termination of HUD Payments. HUD is obligated to make HUD Payments under a Section 236 Contract and may not terminate HUD Payments under a Section 236 Contract, except under the circumstances

described below, including, but not limited to, certain foreclosure actions instituted by the Agency (see "Exhibit E—New York Foreclosure Procedures and Bankruptcy" and "Exhibit B—Summary of Certain Provisions of the General Resolution—Enforcement of Program Assets and Related Security"). If HUD Payments are terminated, the Secretary may reinstate them at his or her discretion pursuant to such additional requirements as the Secretary may prescribe. A Section 236 Contract may be terminated at the option of, and upon written notice from, the Secretary after the expiration of one year from the date of the termination of HUD Payments, unless such payments have been reinstated. **In the event HUD were to terminate HUD Payments in respect of a Project subsidized through a Section 236 Contract, such terminated HUD Payments would not be available to pay debt service on the related Mortgage Loan (a "Section 236 Mortgage Loan"), which could result in a default on such Mortgage Loan.**

Acquisition by Ineligible Owner; Transfer Limitation of Mortgage Loan. HUD may terminate HUD Payments with respect to a Project if the Project is acquired by any owner who is not an eligible mortgagor under Section 236. Each Mortgagor has covenanted in the Section 236 Contract only to transfer such Project to an eligible Mortgagor approved by the Secretary and each Mortgagor has covenanted in the Mortgage not to transfer such Project without the consent of the Section 236 mortgagee. The Department of Housing and Urban Development Reform Act of 1989 (the "HUD Reform Act") made public entities eligible to be owners of projects receiving assistance under Section 236. Pursuant to the HUD Reform Act, the Agency is an eligible Section 236 owner. Transfer of a Project also may be subject to the prior approval of HPD.

Each Section 236 Contract provides that the corresponding Section 236 Mortgage Loan may only be assigned, including any assignment or reassignment between the Agency and the Trustee, with HUD's prior written approval.

Excess Income. Pursuant to each Section 236 Contract, the Mortgagor is required to establish (i) a basic or subsidized rental charge for each subsidized dwelling unit in the Project (the "basic rent"), determined on the basis of the anticipated operating costs of the Project assuming the payment of principal and interest on a mortgage note bearing interest at the rate of 1% per annum and an amortization period of up to fifty (50) years, and (ii) a fair market rental charge for each such unit, determined on the basis of the anticipated operating costs of the Project assuming payment of principal and interest at the unsubsidized mortgage rate (the "market rent"). The rent charged for each subsidized unit (the "tenant rent") is the greater of the basic rent or thirty per centum (30%) of the tenant's adjusted monthly income, but in no event may the Mortgagor charge an amount in excess of the market rent (not including permitted surcharges). Under each Section 236 Contract, the Section 236 mortgagee and HUD must approve all rent increases.

Each Section 236 Contract provides that the Mortgagor shall pay monthly to HUD all rental charges collected in excess of the basic rental charges for all occupied units ("Excess Income Payments"). In a notice issued by HUD on January 4, 1991 with respect to all mortgagors subject to Section 236 Contracts, HUD stated that it would implement strict enforcement actions against an owner of a project who does not remit excess rental amounts. This notice states that HUD should attempt to recover Excess Income Payments if the affected mortgagor does not make a lump sum payment or enter into a repayment schedule with HUD through the following actions listed in order of priority: use of the project's residual receipts, repayment of distributions, surplus cash and finally, project income. Among HUD's numerous potential remedies against the affected mortgagors are suspension of interest reduction payments. No assurance can be given regarding which remedies, if any, HUD will utilize against affected mortgagors in the event HUD seeks to affirmatively enforce the collection of Excess Income Payments.

Prior to April 1996, mortgagors were permitted to calculate the amount of Excess Income Payments payable to HUD on a project-wide basis, which enabled mortgagors to use Excess Income Payments to offset collection losses from nonpaying tenants. Section 236 was amended to require that, beginning in 1996, Excess Income Payments must be remitted to HUD on a unit-by-unit basis, thus precluding the ability of mortgagors to use such Excess Income Payments to offset collection losses and potentially reducing the income available to the projects.

In 1999, Congress passed the "Preserving Affordable Housing for Senior Citizens and Families into the 21st Century Act" (the "1999 Act"). This and subsequent legislation allow Mortgagors of Section 236 Projects to retain excess rents for project purposes if consented to by HUD. No assurance can be given as to the impact of the revised Section 236 in the current or any future fiscal year on the ability of the Mortgagors of the Section 236 Projects to cover operating expenses and debt service on their respective Section 236 Mortgage Loans without requiring an increase in rents after Excess Income Payments are remitted to HUD.

The 1999 Act also permits Mortgagors of Section 236 Projects to refinance their mortgages (if the mortgages are otherwise eligible for prepayment) while retaining the Section 236 subsidy, which HUD generally refers to as its Section 236 "decoupling" program. HUD has considerable discretion in implementing the decoupling program and Section 236 Contracts executed pursuant to the program may have terms different from those described herein for the program generally. Among other things, in order to benefit from the decoupling program, the Mortgagor must agree to enforce the income and rent restrictions applicable to the project for a period ending five years beyond the term of assistance under the new Section 236 Contract.

Certain Mortgagor Covenants. Mortgagors covenant in the Section 236 Contract to limit admission to the subsidized dwelling units in the Project to those families whose incomes do not exceed the applicable limits approved by the Section 236 mortgagee or the Secretary, with the exception of those tenants who agree to pay fair market rent. The Section 236 Contracts contain other covenants relating to the preference for occupancy for certain displaced or low income families, the compliance with applicable civil rights laws prohibiting discrimination in housing, the maintenance of information and records concerning tenants and tenant income in a form required under HUD regulations, the availability for inspection of such information and records, prohibitions against denying occupancy due to number of children in the family and the number of subsidized units which may be rented to any one tenant at any one time. The Secretary has the authority to suspend or terminate HUD Payments at any time upon default by a Mortgagor under any of such covenants as well or upon any other default by a Mortgagor or the Section 236 mortgagee under the terms and conditions of the Section 236 Contract.

Mortgagors covenant to maintain habitability of the Project units. Under the terms of certain Section 236 Contracts, HUD may adjust subsidy payments in the event a subsidized unit is destroyed or otherwise rendered not habitable for any reason unless such unit is restored or rehabilitated within a reasonable time or unless an unsubsidized unit is designated in its place.

Set-Off Rights of the United States. Payments under a Section 236 Contract duly and properly paid and actually received by or on behalf of the Agency will be pledged to the Trustee as part of the security for the Bonds, and the Agency will be obligated to deliver to the Trustee all such payments upon receipt. Under Federal law, the United States Government has the right to set-off liabilities to the United States against the amounts payable under a Section 236 Contract. The Agency does not believe it has any liabilities to the United States which would result in any set-off against such payments for those projects where it is the Section 236 mortgagee. The set-off right of the United States described above applies only to payments under a Section 236 Contract which have not actually been paid by HUD. Once payments under a Section 236 Contract are received by the Agency and delivered to a trustee, they cannot be subjected to repayment to the United States by such trustee. However, in the case of excessive payments under a Section 236 Contract, the Section 236 mortgagee would remain obligated to refund to the Secretary the amount which was overpaid, and such liabilities could be offset against future payments under the Section 236 Contract.

Section 236, the rules, regulations and directives promulgated pursuant thereto and the Section 236 Contracts, do not contain any express requirement that any savings which result from a reduction in the Agency's cost of borrowing due to a refunding of its obligations issued to finance a mortgage loan must be used to lower the interest rate on the mortgage loan and thereby to reduce HUD Payments.

FHA-Insured Mortgage Loans with Low Inspection Ratings. Pursuant to HUD regulations and administrative procedures for physical inspections of FHA-insured properties that score less than 60 total points, properties scoring 30 and under are automatically referred to HUD's Departmental Enforcement Center

("DEC"). Those scoring between 31 and 59 may be referred to DEC and will be evaluated for enforcement by local HUD Office of Housing Staff. A Notice of Violation/Default of Regulatory Agreement and Housing Assistance Payment Contract is then issued. The property owner has sixty (60) days to certify that all repairs have been completed. HUD will then re-inspect the property, either following such sixty (60) day period or, in certain cases with respect to properties being evaluated for enforcement by local HUD Office of Housing Staff, the following year. If the property scores above 60 (a satisfactory rating and above), normal monitoring resumes. If the score is below 60 (a below average or unsatisfactory rating), HUD may consider the owner in default and may pursue available remedies. Available remedies may include termination of subsidy payments under the affected Housing Assistance Payment Contract or requiring that the mortgagee accelerate and assign the FHA-insured mortgage loan to HUD as a result of the default under the Project's Regulatory Agreement in exchange for FHA Insurance benefits. See "Exhibit D—Description of Supplemental Security and Subsidy Programs—Supplemental Security—FHA Insurance Program," and "—Subsidy Programs—Section 236 Program" and "—Section 8 Program."

Section 8 Program

General. The following is a brief description of the housing assistance payments program (the "Section 8 program") authorized by Section 8 of the United States Housing Act of 1937, as amended (the "1937 Housing Act"), which is qualified in its entirety by references to the applicable provisions of said Act and the regulations thereunder (the "Regulations"). The description applies to the variant of the Section 8 program which provides assistance under subsidy contracts for projects which set aside units for lower income families. Accordingly, this variant of the Section 8 program may be referred to as the "project-based Section 8 program."

The Section 8 program is administered by HUD and authorizes subsidy payments pursuant to Housing Assistance Payments Contracts ("HAP Contracts") to the owners of qualified housing for the benefit of lower income families (defined generally as families whose income does not exceed 80% of the median income for the area as determined by HUD) and very-low income families (defined generally as families whose income does not exceed 50% of the median income for the area as defined by HUD). Provision is made under the 1937 Housing Act and Regulations for administration of the Section 8 program through state or local housing finance agencies acting as contract administrator (the "Contract Administrator") of the HAP Contracts. Under this arrangement, the Contract Administrator agrees to pay the subsidy to or for the account of the mortgagor and concurrently contracts with HUD for payments of the subsidy by HUD to it. HUD may also serve as Contract Administrator.

Under 1937 Housing Act and the Regulations, not more than 25% of the dwelling units which were available for occupancy under HAP Contracts before October 1, 1981 and which are leased thereafter shall be available for leasing by lower income families other than very-low income families; and not more than 15% of the dwelling units which become available for occupancy under HAP Contracts after October 1, 1981 shall be available for leasing by lower income families other than very-low income families. The law also requires that not less than 40% of the dwelling units that become available for occupancy in any fiscal year shall be available for leasing only by families whose annual income does not exceed 30% of area median income (as determined by HUD and adjusted for family size) at the time of admission.

Amount and Payment of Subsidy. Section 8 subsidies available for debt service on the Bonds are based upon the "contract rent" applicable to specified dwelling units. The contract rent is initially based on the fair market rent for the dwelling unit, which is determined by HUD periodically with respect to each locality and published in the Federal Register. The housing assistance payments generally represent the difference between the contract rents for all eligible units in a project, as approved by HUD from time to time, and the eligible tenant's contribution, which is generally 30% of such tenant's income, as adjusted for family size, income and expenses, with certain adjustments, although each assisted family is generally required to pay a minimum rent. The contract rents for a project are generally limited to the "fair market rents" established by HUD as reasonable in relation to rents for comparable units in the area.

Subsidy Contracts. The payment of subsidies under the Section 8 program is made pursuant to two contracts entered into with respect to each project assisted under such program: an annual contributions contract (the "ACC") between HUD and the Contract Administrator, and the HAP Contract between the Contract Administrator and the owner. The ACC obligates the United States to provide funds to the Contract Administrator with which to make monthly housing assistance payments to the owner pursuant to a HAP Contract.

It is useful, in discussing the project-based Section 8 Program to distinguish between contracts executed under the 1937 Housing Act and the Regulations prior to 1997 which have not yet expired for the first time ("Original Contracts"), and contracts under the 1937 Housing Act and the Regulations which have been renewed generally subsequent to 1997 ("Renewal Contracts"). This distinction is of significance as a consequence of the amendments to the 1937 Housing Act which went into effect beginning in 1997.

The ACC establishes the maximum annual amount of the housing assistance payments to be made by HUD for the account of the mortgagor of a project. This amount may not exceed the total of the initial contract rents and utility allowances for the eligible units in a project and any administrative fee. For projects under the Original Contracts, if the amount of housing assistance payments actually disbursed under an ACC in any given year is less than the total available amount, some or all of the excess (including an amount equal to the portion of the contract rents payable by the tenants) is required to be set aside by HUD in a "project account" for the particular project and will be available in future years to fund increases in contract rents for the project, decreases in family incomes or other costs authorized or approved by HUD. In the event that previously appropriated amounts are not sufficient to meet HUD's contractual obligations to the Section 8 Projects, HUD is required by applicable Section 8 provisions to take such additional steps authorized by subsection (c)(5) of Section 8 of the 1937 Housing Act as may be necessary to obtain funds to assure that payment will be adequate to cover increases in contract rents and decreases in tenant payments. Under subsection (c)(5) of Section 8: "[t]he Secretary [of HUD] shall take such steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes."

In practice until recently, HUD has sought and received amendment authority from Congress sufficient to enable it to discharge its obligations under the HAP Contracts and the ACCs. During 2007, a revision in HUD's interpretation of its outstanding contracts coupled with the amount of appropriations available led to many late payments to owners while HUD made adjustments. See "Late Payments in 2007" below.

The HAP Contract provides for housing assistance payments with respect to a dwelling unit covered by the HAP Contract on the condition that such unit is maintained according to the requirements of the HAP Contract and is occupied by an eligible tenant. An ACC remains in effect for as long as a HAP Contract is in effect.

Adjustment of Subsidy Amounts. Each HAP Contract provides for certain adjustments in contract rents. With respect to Original Contracts, HUD publishes at least annually an Annual Adjustment Factor ("AAF"), which is intended to reflect changes in the fair market rent established in the housing area for similar types and sizes of dwelling units; interim revisions may be made where market conditions warrant. Upon request from the owner to the Agency, the AAF is applied on the anniversary date of each HAP Contract to contract rents, provided that no adjustment shall result in a material difference between the rents charged for subsidized and comparable non-subsidized dwelling units except to the extent that the differences existed with respect to the contract rents set at HAP Contract execution or cost certification where applicable. (The difference that existed between the contract rent for a unit at HAP Contract execution and the rent on comparable unassisted units is generally referred to by HUD as the "initial difference" in contract rents.) In

addition, provision is made in the regulations for special additional adjustments to reflect increases in actual and necessary expenses of owning and maintaining the subsidized units which have resulted from substantial general increases in real property taxes, assessments, utility rates and utilities not covered by regulated rates, if the owner demonstrates that the automatic annual adjustments have not provided adequate compensation. Under current law (Section 8(c)(2)(C) of the 1937 Housing Act), "[t]he Secretary may not reduce the contract rents in effect on or after April 15, 1987, for newly constructed, substantially rehabilitated, or moderately rehabilitated projects assisted under the section ... unless the project has been refinanced in a manner that reduces the periodic payments of the owner."

Notwithstanding the foregoing, if the contract rents for a project exceed the applicable HUD fair market rents, then contract rents cannot be increased beyond comparable market rents (plus the initial difference) as determined by independent appraisals of at least three comparable local projects submitted by the owner. In addition, the AAFs for Section 8 units which experienced no turnover in tenants since their preceding HAP Contract anniversary date shall be one percentage point less than the AAFs that would otherwise apply.

With respect to Renewal Contracts, the HAP Contract will, in most cases, provide for annual adjustments in contract rents based upon an Operating Cost Adjustment Factor (OCAF). The OCAF is intended to reflect increases in the cost of operating comparable rental properties, which may or may not correspond to circumstances affecting a particular Section 8 Project. HAP Contracts renewed for terms longer than one year will be subject to Congressional appropriations, which may not be available. HUD's provision of such amendments and renewals was partially disrupted for a temporary period during the 2007, when HUD determined appropriations available at the time to be inadequate to fulfill all such needs. For further discussion of that situation, see "Late Payments in 2007" below. The President's March 1, 2013 sequestration order pursuant to the Budget Control Act of 2011 and the American Taxpayer Relief Act of 2012 (the "2013 Federal Sequestration Order") resulted in a reduction of appropriations for the fiscal year ending September 30, 2013 for housing assistance payments under Renewal Contracts, which HUD implemented by funding certain Renewal Contracts for less than twelve months from such fiscal year's appropriations. The failure of the Congress to timely appropriate sufficient funds to pay subsidies pursuant to Renewal Contracts in any year, including payments requiring appropriations early in a fiscal year as a result of partial year funding in a prior year, could have an adverse impact on the ability of the related Section 8 Projects to pay debt service. In addition, the prohibition on adjustments that would lower contract rents, explained above, does not apply to HAP Contracts that are Renewal Contracts.

Vacancies and Debt Service. Generally, the Section 8 subsidy is payable with respect to the dwelling unit only when it is occupied by a qualified person or family. However, applicable law and regulations provide for payment of the subsidy under certain circumstances and, for a limited period of time, when the dwelling unit is not occupied. Upon the occurrence of a vacancy in a dwelling unit, a subsidy amounting to 80% of the contract rent is payable for a vacancy period of 60 days subject to compliance by the mortgagor with certain conditions relating primarily to a diligent effort to rent the subsidized unit. The payment of a subsidy with respect to a dwelling unit vacant after initial rent-up may continue for an additional 12 months from the expiration of the 60-day period in an amount equal to the principal and interest payments required to amortize the debt service attributable to the vacant unit, if a good faith effort is being made to fill the unit and the unit provides decent, safe, and sanitary housing. Such continued payments also require the mortgagor to show that project costs exceed revenues, a good faith effort is being made to fill the unit and the additional subsidy payments do not exceed the deficiency attributable to the vacant units. With respect to the Section 8 Projects receiving subsidies pursuant to the Section 8 Moderate Rehabilitation Program, vacancy payments are only available for a maximum period of 60 consecutive days.

Compliance With Subsidy Contracts. The ACC and the HAP Contract each contain numerous agreements on the part of the Contract Administrator and the owner concerning, among other things, maintenance of the project as decent, safe and sanitary housing and compliance with a number of requirements typical of Federal contracts (such as non-discrimination, equal employment opportunity, relocation, pollution

control and labor standards) as to which non-compliance by the owner may result in abatement by HUD or the Contract Administrator, as the case may be, of the payment of the Federal subsidy, in whole or in part.

Housing assistance payments will continue as long as the owner complies with the requirements of the HAP Contract and has leased the assisted units to an eligible tenant or satisfies the criteria for receiving assistance for vacant units. The Contract Administrator, which has primary responsibility for administering each HAP Contract subject to review and audit by HUD, subject to an opportunity by the mortgagor to cure any default under the HAP Contract, may abate housing assistance payments and recover overpayments pending remedy of the default. If the default is not cured, the Contract Administrator may terminate the HAP Contract or take other corrective action, in its discretion or as directed by HUD. HUD has an independent right to determine whether the owner is in default and to take corrective action and apply appropriate remedies.

If HUD determines that the Contract Administrator has failed to fulfill its obligations, HUD may, after notice to the Contract Administrator giving it a reasonable opportunity to take corrective action, require that the Contract Administrator assign to it all rights under the HAP Contract. The Agency has, to date, never been notified by HUD that it has failed to fulfill its obligations with respect to any of the Projects. In recent years, HUD has placed increasing emphasis on assuring that Contract Administrators fulfill their obligations in this respect.

Expiration of Subsidy Contracts. Until 1997, there was substantial uncertainty as to what would happen to Section 8 projects upon the expiration of their HAP Contracts at the end of their terms. HUD's Fiscal Year 1998 Appropriations Act, Pub. L. 105-65, signed into law on October 27, 1997, included within it the "Multifamily Assisted Housing Reform and Affordability Act of 1997" (as amended several times thereafter, the "MAHRA"). Under the so-called Mark-to-Market program established by MAHRA, many FHA-insured Section 8 projects with expiring HAP Contracts are eligible to receive continuing Section 8 assistance through contract renewals. Such Renewal Contracts may have terms from one to twenty years, subject to Congressional appropriations. As noted above, absent such appropriations, there is no assurance that funds will be available under these contracts. Additionally, FHA-insured Section 8 projects with expiring HAP Contracts and above-market rents may be eligible for restructuring plans and, upon restructuring, to receive continuing Section 8 assistance pursuant to contracts subject to Congressional appropriations. These restructuring plans may include partial or full prepayment of mortgage debt intended to reduce Section 8 rent levels to those of comparable market rate properties or to the minimum level necessary to support proper operations and maintenance, and in certain cases is designed to result in a change from "project-based" to "tenant-based" Section 8 payments. MAHRA provides, however, that no restructuring or renewal of HAP Contracts will occur if the owner of a project has engaged in material adverse financial or managerial actions or omissions with respect to that project or other Federally assisted projects, or if the poor condition of the project cannot be remedied in a cost effective manner.

Although the primary focus of the Mark-to-Market Program is projects that have FHA-insured mortgages with terms ranging from 30 to 40 years and which have HAP Contracts with substantially shorter terms, MAHRA contained distinct mortgage restructuring and HAP Contract renewal and contract rent determination standards for Section 8 projects for which the primary financing or mortgage insurance was provided by a state or local government, or a unit or instrumentality of such government. Such projects, including the Section 8 Projects, were, under MAHRA, excluded from restructuring and instead are eligible for renewals at the lesser of (i) existing rents, adjusted by an operating cost adjustment factor established by HUD, (ii) a budget-based rent, or (iii) in the case of certain "moderate rehabilitation" Section 8 assistance contracts, the lesser of (x) existing rents, adjusted by an operating cost factor determined by HUD, (y) existing fair market rents (less any amounts allowed for tenant purchased utilities), or (z) comparable market rents for the market area. Under current HUD policy, existing fair market rents for moderate rehabilitation projects means 120% of HUD's published existing fair market rents.

Although initially exempt from restructuring, the 1999 amendments to MAHRA made Section 8 projects with FHA-insured mortgages for which the primary financing was provided by a unit of state or local

government subject to the Mark-to-Market program unless the implementation of a mortgage restructuring plan would be in conflict with applicable law or agreements governing such financing. The 1999 amendments also provide for a new program for preservation of Section 8 projects that allows increases in Section 8 rent levels for certain Section 8 projects (including Section 236 Projects which also have project-based HAP Contracts) that have below market rents, to market-rate or near market-rate levels.

Contract rents available upon any renewal may be significantly lower than the current Section 8 contract rents in the Section 8 Projects, and the corresponding reduction in housing assistance payments for such Projects would materially adversely affect the ability of the Mortgagors of such Projects to pay the currently scheduled principal and interest on the related Mortgage Loans. Any termination or expiration of HAP Contracts without renewal or replacement with other project-based assistance (whether due to enactment of additional legislation, material adverse financial or managerial actions by a Mortgagor, poor condition of the project or other causes) would also have a material adverse impact on the ability of the related Section 8 Projects to generate revenues sufficient to pay the currently scheduled principal of and interest on the related Mortgage Loans. While MAHRA generally allows mortgagors to renew HAP Contracts (absent certain material adverse conduct or conditions), mortgagors are not required to renew HAP Contracts beyond their initial expiration or the expiration of a renewal term.

A reduction in Section 8 contract rents or the termination or expiration of the HAP Contract (without renewal or replacement with other project-based assistance, or without prepayment, forgiveness, write-down or refinancing as described below), as described in the previous paragraphs, could thus result in a default under the Mortgage Loan for the related Section 8 Project.

The restructuring plans established by MAHRA referred to above, as a general matter, contemplate restructuring FHA-insured mortgage loans on certain Section 8 projects through a nondefault partial or full prepayment of such loans. Nondefault partial or full prepayment or similar forgiveness or write-down of mortgage debt pursuant to a restructuring of these Mortgage Loans could result in the special redemption from Recoveries of Principal of an allocable portion of certain Bonds at any time with the proceeds the Agency receives from any such prepayment, forgiveness or write-down. In addition, the Mortgagors of these Mortgage Loans could opt to refinance their Mortgage Loans in full, pursuant to Section 223(a) (7) of the National Housing Act, which could also result in the special redemption from Recoveries of Principal of an allocable portion of certain Bonds at any time with the proceeds the Agency receives from any such refinancing.

Exception Projects Under MAHRA. MAHRA contains distinct mortgage restructuring and HAP Contract renewal and contract rent determination standards for certain Section 8 projects which require differentiation from the majority of projects. For example, one is the case noted above, in which primary financing or mortgage insurance was provided by a state or local government, or a unit or instrumentality of such government. A second important group of differentiated projects are those financed under Section 202 of the Housing Act of 1959 that also received Section 8 HAP Contracts when first constructed ("Section 202 Properties"). Such projects are, under MAHRA, excluded from restructuring and mark-down of their rents, and are known as "Exception Projects." Exception Projects are not involuntarily subject to mark-down to market, i.e. the rents may not be reduced below a level upon renewal or prepayment which would not provide the property with funds sufficient to operate the property with a balanced budget. A budget-based analysis is typically performed in connection with the renewal of a HAP Contract for a Section 202 Property. The owner of a Section 202 Property may opt to be renewed under the other renewal options discussed above, but in so doing risks losing the Exception Project designation. For some Section 202 Properties with below market rents this could be a viable option; any contemplation of this would need to be analyzed on a case by case basis. Section 202 Properties are Exception Projects and are statutorily eligible for renewals at the lesser of (i) existing rents, adjusted by an OCAF or (ii) a budget-based rent. Recent legislation and regulations facilitate the refinancing of Section 202 Properties. HUD has recently published final Regulations for the refinancing and rehabilitation of financed and constructed projects under Section 202 with Section 8 subsidies.

No Assurance as to Congressional Action. The HAP Contracts for most of the Section 8 Projects expire or have expired prior to the respective maturity dates of the related Mortgage Loans. Since payments

received under the HAP Contracts constitute a primary source of revenues for the related Projects, the expiration of the HAP Contracts (without renewal or replacement) – whether Original Contracts or Renewal Contracts – would have a material adverse impact on the ability of the related Projects to generate revenues sufficient to pay the principal of and interest on the related Mortgage Loans. There can be no assurance that the HAP Contracts will be renewed or replaced, or fully funded. Since 1997, MAHRA has been changed in a variety of ways and is always subject to Congressional reconsideration. In the event of the expiration of one or more of the HAP Contracts (without renewal or replacement), there is a likelihood of a default on one or more of the related Mortgage Loans. In the case of Section 8 Projects with FHA Mortgage Loans, the Mortgage Loan(s) would be assigned to FHA for FHA Insurance benefits. Upon receipt of such FHA Insurance benefits or proceeds received from enforcement actions (including foreclosure) of a defaulted Mortgage Loan not subject to supplemental security, the Agency may elect to redeem an allocable portion of certain Bonds.

Late Payments in 2007. During 2007, a revision by HUD in its legal interpretation of its Section 8 renewal contracts led HUD to conclude that it only could stay within appropriated funding levels by amending renewal contracts to more explicitly allow for partial-year funding of those contracts. As a result of the time it took to implement this change, many fiscal 2007 payments were not paid on time. While HUD allowed owners to take steps such as borrowing against project reserves, some owners indicated that the delayed payments caused late fees on mortgages or other bills or interruptions in service at their properties.

HUD now has made the necessary contract changes to allow for partial-year renewal funding, but has told Congress that further improvements are needed in its budgeting, contract management and payment process. If future problems in these systems resulting from partial-year funding or otherwise cause delayed subsidy payments, such delays could jeopardize owners' ability to fulfill their mortgage obligations in a timely fashion, and thus jeopardize amounts available for payment of the Bonds.

Use of Residual Receipts Reserves. Certain of the Projects participating in the Section 8 program described above may be the subject of HAP Contracts originally entered into pursuant to certain revised HUD regulations that took effect in late 1979 or early 1980 (as applicable), which in each case generally provide for excess operating income exceeding certain owner distribution limits to be held in a reserve account (a "Residual Receipts Account"), to be used only for project purposes during the term of the HAP Contract and to be returned to HUD upon termination of the HAP Contract.

Pursuant to a HUD policy with respect to such Projects, effective for housing assistance payments in November 2012 and thereafter, amounts in the Residual Receipts Account for such a Project in excess of a specified level, equal to $250 multiplied by the number of Section 8 units in the Project, are to be drawn on to fund Section 8 subsidy payments in lieu of HUD-funded payments until the Residual Receipts Account is reduced to such level.

In addition, with respect to any Project subject to a HAP Contract that authorizes HUD to require Residual Receipts Account deposits, the Consolidated Appropriations Act, 2014 provides that amounts in the Residual Receipts Account that are in excess of an amount determined by HUD shall, upon HUD's request, be remitted to HUD so as to be available to fund subsidy payments under the project-based Section 8 program generally.

Project-Based Voucher Programs. In addition to the project-based Section 8 program described in the preceding paragraphs, the 1937 Housing Act and the Regulations grant certain state and local housing agencies authority to establish programs ("Project-Based Voucher Programs") pursuant to which they may enter into HAP Contracts to provide assistance to projects that set aside units for lower income families, using up to twenty percent of the funds they receive from HUD under annual contributions contracts for the administration of the housing choice voucher program authorized by Section 8(o) of the 1937 Housing Act (the "Housing Choice Voucher Program"). Under Project-Based Voucher Programs, as under the project-based Section 8 program described in the preceding paragraphs, HAP Contracts provide for housing assistance payments to owners generally equal to the difference between specified contract rents for covered units in a project and the respective tenants' required contributions. However, under a Project Based Voucher Program, rules

concerning the establishment of initial contract rents, the terms of periodic adjustment of contract rents (including whether reduction to levels below the initial rents may occur), the availability of payments for vacant units, and the availability of renewal of a HAP Contract upon expiration of its stated term, differ from the rules applicable to the project-based Section 8 program described in the preceding paragraphs and depend in part on the policies of the state or local agency operating the Project-Based Voucher Program. A state or local agency's obligations pursuant to a HAP Contract under its Project-Based Voucher Program are subject to the annual appropriation by Congress and obligation by HUD of funds in amounts sufficient to operate the Housing Choice Voucher Program, including the agency's Project-Based Voucher Program. The 2013 Federal Sequestration Order resulted in a reduction of appropriations for the fiscal year ending September 30, 2013 for the Housing Choice Voucher Program. No assurance can be given that Congress will timely appropriate sufficient funds each year for the Housing Choice Voucher Program to enable housing agencies to make housing assistance payments pursuant to such HAP Contracts.

New York State Office of Mental Health

The New York State Office of Mental Health administers several programs designed to provide financial support to residential projects for adults with serious mental illness leaving State-operated psychiatric centers as well as adults with serious mental illness leaving acute care hospitals, adult homes and other settings which house priority populations identified by OMH. Projects receiving support subsidies from OMH are obligated to lease their units to tenants referred by OMH. As the projects funded through the various OMH subsidy programs have limited sources of revenue outside of the subsidies themselves, a failure by OMH to make such funds available, either through termination or non-renewal of contract, or lack of State appropriation, as applicable, could materially adversely affect an applicable Mortgagor's ability to make payments under its Mortgage Loan.

Operating subsidy programs provide funds, on a per unit basis, to support the on-going operation of the projects constructed to provide housing to the targeted population. Such operating support, provided pursuant to operating contracts subject to a 5-year renewable term, provides additional funding for mental health support services, project reserves, and other operating expenses of the projects. The operating contract is generally entered into by OMH once project construction has been completed and the units are ready for occupancy, and may be terminated by mutual consent or by OMH based on non-compliance by the operator with the terms of the operating contract, unavailability of funds, or at the discretion of OMH. In the event a Mortgagor fails to comply with the operating contract, OMH may elect to take over the operation of the project, or contract with third parties for the operation of the project. If an operating contract is cancelled and/or not renewed by OMH within a reasonable period, the applicable units will no longer be required to be leased to persons referred by OMH and may be leased to other low-income tenants.

Debt service support programs provide funds from OMH in amounts necessary to pay debt service on the applicable Mortgage Loans. Such debt service payments commence once project construction has been completed and the units are ready for occupancy. Debt service payments are subject to annual appropriation by the State.

Public Housing Operating Subsidy

The 1937 Housing Act and the regulations thereunder provide that amounts appropriated by Congress in any year for the public housing operating fund under Section 9 ("Section 9") of such Act are to be allocated by HUD among eligible state and local public housing agencies according to a formula that takes into account projections of the income from, and standards for the costs of, operating and managing the housing units assisted under the 1937 Housing Act (other than under the Section 8 program) ("Public Housing Units") that are owned, operated or assisted by such agencies. Such appropriated funds allocated to a public housing agency ("Public Housing Operating Subsidy" or "ACC Subsidy") are provided to the agency pursuant to an annual contributions contract between HUD and the agency. Under certain circumstances, a public housing agency may request that such annual contributions contract be amended to permit use of Public Housing

Operating Subsidy to pay eligible costs of operating and managing Public Housing Units located within a property that is owned and operated by an entity other than the agency (an "Owner Entity"). An annual contributions contract so amended (an "Amended ACC") generally provides that, for the purpose of ensuring that Public Housing Units are operated in accordance with applicable law, regulations and HUD policies in effect from time to time ("Applicable Public Housing Requirements"), the Owner Entity shall enter into a regulatory and operating agreement with the public housing agency and shall enter into a declaration of covenants for the benefit of HUD restricting use of the property by successive owners that is prior to any other encumbrance of the property (collectively, together with the Amended ACC, "Mixed-Finance Agreements").

Among other provisions, Mixed-Finance Agreements with respect to Public Housing Units owned by an Owner Entity generally (1) provide for allocation of a portion of the agency's Public Housing Operating Subsidy to such Public Housing Units, (2) require that Public Housing Units be developed, operated and maintained in accordance with Applicable Public Housing Requirements, including requirements concerning occupancy by eligible lower income families (which may include minimum requirements as to occupancy by families whose income does not exceed 30% of the median income for the area as determined by HUD) and requirements concerning determination of rents, for a period extending 10 years beyond the end of the Federal fiscal year in which Public Housing Operating Subsidy is last provided by the public housing agency (or a longer period in the event that certain capital grants are later provided for rehabilitation of the Public Housing Units), (3) prohibit disposition of the Public Housing Units before the expiration of such 10 year period, (4) require HUD consent prior to transferring or encumbering interests in the Public Housing Units or in the Owner Entity, and (5) provide that, in the event of casualty or condemnation with respect to the property in which the Public Housing Units are located, proceeds shall be applied to restoration of the property to the extent feasible, and any reduction of the number of units in the property shall not reduce the percentage of units that are operated in accordance with Applicable Public Housing Requirements.

The 2013 Federal Sequestration Order referred to above under the heading "Section 8 Program" resulted in a reduction of appropriations for the fiscal year ending September 30, 2013 for the public housing operating fund under Section 9. No assurance can be given that Congress will timely appropriate sufficient funds each year for the public housing operating fund to enable public housing agencies to make Public Housing Operating Subsidy available for such Public Housing Units.

Subordinate Loan Programs

The Agency, other state agencies and certain localities offer a variety of programs pursuant to which they make loans to eligible borrowers to finance a portion of the cost of multi-family rental housing projects. Such loans are generally unsecured or secured by a mortgage lien that is subordinate to the lien securing any other mortgage loans relating to the project, including any Mortgage Loan that is pledged to the Bonds (other than Subordinate Bonds). Often, the interest rate on such loans is very low (often as low as 1% per annum) and payment on such loans is deferred until all loans secured by senior liens are repaid. Generally in order to be eligible for such loans, borrowers must agree to comply with covenants designed to insure that the financed project remains available to persons of low or moderate income and is maintained in good working order. Typically, the Agency, other state agency or locality would not be able to foreclose on its mortgage or take other remedial actions in the event of a default under such loan while other more senior liens remain in effect.

The Agency has received funding provided by HUD under the Tax Credit Assistance Program created pursuant to Title XII of the American Recovery and Reinvestment Act of 2009 and the implementing regulations therefor ("TCAP"; such funds being "TCAP Funds") for the assistance of certain projects receiving an award of LIHTC under Section 42(h) of the Internal Revenue Code of 1986. The TCAP Program requires that the Agency and a Mortgagor receiving TCAP Funds shall enter into a written agreement (a "TCAP Written Agreement"). Such TCAP Written Agreement is to provide, among other things, that the TCAP Funds be expended in full for eligible costs by February 16, 2012. A default by a Mortgagor under a TCAP Written Agreement may result in, among other things, the right of the Agency to terminate any obligation or

commitment to provide additional TCAP Funds for the Project and/or demand immediate repayment of all TCAP Funds theretofore provided by the Agency for the Project.

EXHIBIT E

NEW YORK FORECLOSURE PROCEDURES AND BANKRUPTCY

Below are descriptions of current foreclosure procedures in New York State and current bankruptcy provisions for mortgage loans generally. Such descriptions are relevant for Mortgage Loans under the Program, if any, not fully secured by Supplemental Security.

New York Foreclosure Procedures. In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. New York law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and actions on insurance policies insuring the mortgaged premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless the sheriff has been issued an execution against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is New York case law indicating that if an action is commenced on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt must be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Where a foreclosure action is brought, every person having an estate or interest in possession or otherwise in the property whose interest is claimed to be subject and subordinate to the mortgage must be made a party defendant to the action in order to have its interest in the property extinguished. At least twenty (20) days before a final judgment directing a sale is rendered, the mortgagee must file, in the clerk's office for the county where the mortgaged property is located, a notice of the pendency of the action. Judicial foreclosure in New York is a lengthy process, as judicial intervention is required at all stages, including but not limited to (1) the appointment of a referee to compute the amount due, (2) the appointment of a receiver to operate the property during the pendency of the action, (3) the confirmation of the referee's oath and report, (4) the issuance of the judgment of foreclosure and sale, (5) the confirmation of the sale, and (6) the issuance of a deficiency judgment and/or rights to surplus monies. If during the pendency of the action the mortgagor pays into court the amount due for principal and interest and the costs of the action together with the expenses of the proceedings to sell, if any, the court will (i) dismiss the complaint without costs against the mortgagee if the payment is made before judgment directing the sale or (ii) stay all proceedings upon judgment if the payment is made after judgment directing sale but before sale.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as much thereof as the court may deem just and equitable, against a mortgagor who has appeared or has been personally served in the action. Prior to entering a deficiency judgment the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or such nearest earlier date as there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the sale price of the mortgaged property and the fair market value of the mortgaged property as determined by the court.

The mortgagee may also, at its discretion, negotiate with the delinquent mortgagor to offer a deed in lieu of foreclosure to the mortgagee, where appropriate. In some situations this would allow the mortgagee to reduce the cost of, and the time involved in, acquiring the property.

All of the Mortgage Loans under the Program are non-recourse to the Mortgagor. Therefore, the Agency may only have limited rights to pursue the enforcement of an action on the debt. Consequently, with respect to such Mortgage Loans, the above provisions relating to an action on the mortgage debt, as opposed to a foreclosure action, are not applicable.

Bankruptcy. If a petition for relief under Federal bankruptcy law were filed voluntarily by a mortgagor, or involuntarily against a mortgagor by its creditors, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceedings, including without limitation, foreclosure proceedings, against such mortgagor and its property. If a bankruptcy court so ordered, the mortgagor's property, including its revenues, could be used for the benefit of the mortgagor, despite the rights granted the mortgagee or a trustee. Certain provisions of the mortgage that make the initiation of bankruptcy and related proceedings by or against the mortgagor an event of default thereunder are not enforceable in the mortgagor's bankruptcy proceeding.

In addition, if a bankruptcy court concludes that a mortgagee is "adequately protected," it might (A) substitute other security for the property presently pledged and (B) subordinate the lien of the mortgagee or a trustee to (i) claims by persons supplying goods and services to the mortgagor after commencement of such bankruptcy proceedings, (ii) the administrative expenses of the bankruptcy proceedings and (iii) a lien granted a lender proving funds to the mortgagor during the pendency of the bankruptcy case.

In bankruptcy proceedings initiated by the filing of a petition under Chapter 11 of the United States Bankruptcy Code, a mortgagor or another party-in-interest could elect to file a plan of reorganization which seeks to modify the rights of creditors generally, or any class of creditors, including secured creditors. In the event a mortgagor files under Chapter 11, the mortgagor may seek to modify the terms of the mortgage note and the mortgage in a plan of reorganization. In a reorganization case, a mortgagee holds a secured claim equal to the lesser of the value of the mortgaged premises or the debt. If the adjusted value is less than the pre-petition debt, then the mortgagee is not entitled to post-petition interest and the deficiency will be treated as an unsecured claim. With respect to the mortgagee's secured claim, if the debtor intends to retain the premises, the debtor will generally propose to treat the mortgage as unimpaired by curing any monetary defaults and reinstating the terms of the mortgage. Alternatively, the debtor may seek to alter the terms, however, the mortgagee is entitled to retain its lien under a plan and must receive deferred cash payments totaling the amount of the claim with a present value not less than the value of the mortgaged premises. If the premises are to be sold by the debtor, the mortgagee can bid at the bankruptcy court sale and offset its claim against the selling price at such sale.

EXHIBIT F

FORM OF LEGAL OPINION FOR THE 2014 BONDS

Upon delivery of the 2014 Bonds, Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Agency, proposes to issue its approving opinion with respect to the 2014 Bonds in substantially the following form:

New York State Housing
Finance Agency
641 Lexington Avenue
New York, New York 10022

Ladies and Gentlemen:

We, as bond counsel to the New York State Housing Finance Agency, a corporate governmental agency of the State of New York constituting a public benefit corporation (the "Agency"), have examined a record of proceedings relating to the issuance by the Agency of $68,470,000 Affordable Housing Revenue Bonds, 2014 Series F (the "2014 Series F Bonds").

The 2014 Series F Bonds are authorized to be issued pursuant to the New York State Housing Finance Agency Act, Article III of the Private Housing Finance Law, Chapter 44B of the Consolidated Laws of New York, as amended (the "Act"), the Affordable Housing Revenue Bond Resolution, adopted by the Agency on August 22, 2007, as amended (the "General Resolution"), and the Affordable Housing Revenue Bonds, 2014 Series F Resolution, adopted by the Agency on October 9, 2014 (the "Supplemental Resolution"; the General Resolution and the Supplemental Resolution being collectively referred to as the "Resolution").

The 2014 Series F Bonds are being issued for the purpose of financing the 2014 Series F Mortgage Loans for the 2014 Series F Projects (as such terms are defined in the Resolution).

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the 2014 Series F Bonds in order that interest on the 2014 Series F Bonds be and remain excluded from gross income for Federal income tax purposes. Noncompliance with such requirements may cause interest on the 2014 Series F Bonds to become subject to Federal income taxation retroactive to their date of issue, irrespective of the date on which such noncompliance is ascertained. The Agency, the Mortgagors of the 2014 Series F Projects and others have covenanted to comply with certain provisions and procedures, pursuant to which the pertinent Code requirements can be satisfied.

We have not examined nor are we passing upon matters relating to the real and personal property referred to in the mortgages that are to secure the 2014 Series F Bonds.

We are of the opinion that:

(1) The Agency has been duly created and is validly existing under the Act and has the right, power and authority to adopt the Resolution, and the Resolution has been duly adopted by the Agency, is in full force and effect and is valid and binding upon the Agency and enforceable in accordance with its terms.

(2) The Resolution creates the valid pledge that it purports to create of the Pledged Property (including the monies and investments held in all funds and accounts established by the Resolution other than the Rebate Fund), subject to the application thereof to the purposes and on the conditions permitted by the Resolution.

(3) The 2014 Series F Bonds have been duly and validly authorized and issued by the Agency and are valid and binding special revenue obligations of the Agency, payable solely from the sources provided therefor in the Resolution.

(4) The 2014 Series F Bonds are not a debt of the State of New York, and the State of New York is not liable thereon, nor shall the 2014 Series F Bonds be payable out of funds of the Agency other than those pledged for the payment of the 2014 Series F Bonds.

(5) Under existing statutes and court decisions, (i) interest on the 2014 Series F Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code, except that no opinion is expressed as to such exclusion of interest on any 2014 Series F Bond for any period during which such 2014 Series F Bond is held by a person who, within the meaning of Section 147(a) of the Code, is a "substantial user" of the facilities financed with the proceeds of the 2014 Series F Bonds or a "related person," and (ii) interest on the 2014 Series F Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code and is not included in adjusted current earnings of corporations for purposes of calculating the alternative minimum tax. In rendering this opinion, we have relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Agency, the Mortgagors of the 2014 Series F Projects and others, in connection with the 2014 Series F Bonds, and have assumed compliance by the Agency, such Mortgagors and others with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the 2014 Series F Bonds from gross income under Section 103 of the Code.

(6) Under existing statutes, interest on the 2014 Series F Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

We express no opinion regarding any other Federal, state or local tax consequences with respect to the 2014 Series F Bonds. We are rendering this opinion under existing statutes and court decisions as of the date hereof, and assume no obligation to update, revise or supplement our opinion to reflect any action hereafter taken or not taken, or any facts or circumstances that may hereafter come to our attention, or changes in law or in interpretations thereof that may hereafter occur, or for any other reason. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for Federal income tax purposes of interest on the 2014 Series F Bonds, or under state and local tax law.

In rendering this opinion, we are advising you that the enforceability of rights and remedies with respect to the 2014 Series F Bonds and the Resolution may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies heretofore or hereafter enacted, and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have examined an executed 2014 Series F Bond and, in our opinion, the form of said 2014 Series F Bond and its execution are regular and proper.

Very truly yours,

EXHIBIT G

PROJECTS AND MORTGAGE LOANS OUTSTANDING UNDER THE PROGRAM

The following tables contain information with respect to the Projects and Mortgage Loans Outstanding under the Program as of August 31, 2014 (unless otherwise noted).

Table 1 sets forth information with respect to individual Projects and construction Mortgage Loans as of August 31, 2014 (unless otherwise noted). See "THE PROGRAM—Mortgage Loans."

Table 2 sets forth information with respect to individual Projects and permanent Mortgage Loans Outstanding under the Program as of August 31, 2014 (unless otherwise noted). See "THE PROGRAM—Mortgage Loans."

TABLE 1: PROJECTS AND CONSTRUCTION MORTGAGE LOANS OUTSTANDING UNDER THE PROGRAM AS OF AUGUST 31, 2014 (UNLESS OTHERWISE NOTED)

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security during rehabilitation or construction	Supplemental Security[1]	Subsidy Program[1]	Construction Mortgage Loan Amount (Advances Made to Date) (rounded)	Loan Interest Rate (Construction / Permanent)	Anticipated Amount of Permanent Mortgage Loan	Anticipated Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014 unless otherwise noted)	Risk Assessment (as of January 31, 2014)
2012 Series C	Colonial Square Apartments	Montgomery	199	NBT Bank, N.A.,LOC supported by an LOC from U.S. Bank National Association	SONYMA	Section 8 Program	$8,500,000 ($8,500,000)	2.00% 4.50%	$7,000,000	1-Nov-14	1-Mar-44	86%	Under Rehabilitation
2012 Series C	Greater Hempstead Apartments	Nassau	99	Bank of America, N.A. LOC confirmed by an LOC from Federal Home Loan Bank of Atlanta	SONYMA	Section 8 Program	$18,250,000 ($16,612,853)	2.00% 4.45%	$8,710,000	1-Nov-14	1-Oct-44	N/A	Under Construction
2012 Series D	Bridleside Apartments	Westchester	64	The Bank of New York Mellon	SONYMA	N/A	$14,630,000 ($14,630,000)	2.00% 4.50%	$5,320,000	1-Mar-15	1-Feb-45	N/A	Under Construction
2012 Series E	River Park Towers Apartments	Bronx	1650	Fannie Mae	Fannie Mae	Section 236 Program	$157,500,000 ($136,374,519)	1.75% 4.38%	$119,900,000	1-Jan-16	1-Dec-50	76%	Under Rehabilitation
2012 Series F	Mariner Apartments	Erie	292	NBT Bank LOC Supported by an LOC from U.S. Bank	SONYMA	Section 8 Program	$20,700,000 ($20,657,219)	2.00% 4.50%	$11,450,000	1-Nov-14	1-Apr-44	76%	Under Rehabilitation
2012 Series F	Creston Avenue Residence	Bronx	65	JP Morgan Chase Bank, N.A.	SONYMA	New York State Office of Mental Health	$11,400,000 ($8,486,523)	2.00% 4.50%	$2,700,000	1-Mar-15	1-Jan-45	N/A	Under Construction
2012 Series F	Pinnacle Place Apartments	Monroe	407	First Niagara Bank, N.A. LOC confirmed by an LOC from Federal Home Loan Bank New York	SONYMA	Section 8 Program	$17,790,000 ($17,790,000)	2.00% 4.50%	$12,590,000	1-Dec-14	1-Oct-44	53%	Under Rehabilitation
2012 Series F	Cornerstone Senior Apartments	Kings	150	JP Morgan Chase Bank, N.A.	SONYMA	Section 8 Program	$13,750,000 ($13,747,763)	2.00% 4.50%	$10,350,000	1-Nov-14	1-Apr-44	98%	Under Rehabilitation
2013 Series A	Public School 6 Apartments	Westchester	120	The Bank of New York Mellon	SONYMA	Section 8 Program	$31,100,000 ($20,748,820)	2.00% 4.50%	$8,160,000	1-Dec-15	1-Oct-45	N/A	Under Construction

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security during rehabilitation or construction	Supplemental Security[1]	Subsidy Program[1]	Construction Mortgage Loan Amount (Advances Made to Date) (rounded)	Loan Interest Rate (Construction / Permanent)	Anticipated Amount of Permanent Mortgage Loan	Anticipated Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014 unless otherwise noted)	Risk Assessment (as of January 31, 2014)
2013 Series A	O'Neil Apartments	Rensselaer	122	JPMorgan Chase Bank, N.A.	SONYMA	Section 8 Program	$6,400,000 ($6,222,972)	2.00% 4.50%	$5,520,000	1-Dec-14	1-Oct-44	98%	Under Rehabilitation
2013 Series A	Boston Road Apartments	Bronx	154	JPMorgan Chase Bank, N.A.	SONYMA	Section 8 Program	$23,900,000 ($12,671,818)	2.00% 4.50%	$5,920,000	1-Apr-16	1-Feb-46	N/A	Under Construction
2013 Series B	3361 Third Avenue Apartments	Bronx	62	JPMorgan Chase Bank, N.A.	SONYMA	Section 8 Program	$10,450,000 ($4,604,772)	2.00% 5.45%	$3,010,000	1-Feb-16	1-Dec-45	N/A	Under Construction
2013 Series B	The Gardens at Town Center Apartments	Monroe	175	First Niagara Bank, N.A. LOC, confirmed by an LOC from Federal Home Loan Bank of New York	SONYMA	Section 8 Program	$15,500,000 ($11,493,233)	2.00% 5.45%	$12,000,000	1-Jan-16	1-Nov-45	N/A	Under Construction
2013 Series B	Enclave on 5th Apartments	Westchester	39	Signature Bank, supported by an LOC from U.S. Bank National Association	SONYMA	N/A	$5,225,000 ($4,821,813)	2.00% 5.45%	$2,500,000	1-Aug-15	1-Jun-45	N/A	Under Construction
2013 Series B	Amsterdam Senior Housing	Montgomery	68	NBT Bank, N.A., supported by an LOC from U.S. Bank National Association	SONYMA	Section 8 Program	$4,680,000 ($4,509,522)	2.00% 5.45%	$2,760,000	1-Nov-14	1-Sep-44	89%	Under Rehabilitation
2013 Series C	Abraham Lincoln Apartments	Monroe	69	First Niagara Bank, N.A. LOC, confirmed by an LOC from Federal Home Loan Bank of New York	SONYMA	N/A	$3,950,000 ($3,850,000)	2.00% 5.65%	$1,900,000	1-Apr-15	1-Feb-45	88%	Unseasoned[2]
2013 Series C	Los Sures Housing for the Elderly	Kings	55	JPMorgan Chase Bank, N.A. LOC	SONYMA	N/A	$6,850,000 ($6,098,306)	2.00% 5.65%	$4,750,000	1-Apr-15	1-Feb-45	N/A	Under Rehabilitation
2013 Series C	The Mews at Baldwin Place Phase II	Westchester	75	TD Bank, N.A. LOC	SONYMA	N/A	$11,000,000 ($5,099,037)	2.00% 5.65%	$6,420,000	1-Oct-15	1-Aug-45	N/A	Under Construction
2013 Series D	Oak Creek Town Homes Project	Cayuga	149	JPMorgan Chase Bank, N.A. LOC	SONYMA	Section 8 Program	$7,900,000 ($6,296,800)	2.00% 5.50%	$2,960,000	1-Nov-15	1-Sep-45	77%	Under Rehabilitation

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security during rehabilitation or construction	Supplemental Security[1]	Subsidy Program[1]	Construction Mortgage Loan Amount (Advances Made to Date) (rounded)	Loan Interest Rate (Construction / Permanent)	Anticipated Amount of Permanent Mortgage Loan	Anticipated Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014 unless otherwise noted)	Risk Assessment (as of January 31, 2014)
2013 Series D	Caring Communities	Kings	236	Wells Fargo Bank, National Association LOC	SONYMA	Section 8 Program	$28,700,000 ($7,756,827)	2.00% 5.65%	$12,160,000	1-May-16	1-Mar-46	100%	Under Rehabilitation
2013 Series D	Norwood Terrace	Bronx	114	Bank of America, N.A. LOC	SONYMA	Section 8 Program; NYS Office of Mental Health	$17,500,000 ($2,464,043)	2.00% 5.65%	$2,340,000	1-May-16	1-Mar-46	N/A	Under Construction
2013 Series E	The Lace Factory Apartments	Ulster	55	JPMorgan Chase Bank, N.A. LOC	SONYMA	N/A	$9,000,000 ($2,853,769)	2.00% 5.55%	$1,640,000	1-Jun-16	1-Apr-46	N/A	Under Rehabilitation
2013 Series E	Cornerstone-Unity Park I Townhomes	Niagara	84[3]	JPMorgan Chase Bank, N.A. LOC	SONYMA	Section 8 Program	$8,500,000 ($2,415,162)	2.00% 5.50%	$1,000,000	1-Jun-16	1-Apr-46	46%	Under Rehabilitation
2013 Series E	Bronx Park Phase I	Bronx	408	Freddie Mac	Freddie Mac	Section 8 Program	$34,295,000 ($28,688,615)	2.00% 5.50%	$29,295,000	1-Jun-16	1-Jan-49	93%	Under Rehabilitation
2013 Series E	Winbrook Phase I Apartments	Westchester	103	Bank of America, N.A. LOC	SONYMA	N/A	$25,000,000 ($7,254,314)	2.00% 5.55%	$8,200,000	1-Mar-16	1-Jan-46	N/A	Under Construction
2013 Series E	Bronx Park Phase III	Bronx	331	Freddie Mac	Freddie Mac	Section 8 Program	$24,675,000 ($13,325,547)	2.00% 5.50%	$19,675,000	1-Jun-16	1-Jan-49	90%	Under Rehabilitation
2013 Series E	Wyandanch Apartments	Suffolk	86	Capital One, National Association LOC confirmed by an LOC from Federal Home Loan Bank of Atlanta	SONYMA	N/A	$24,250,000 ($2,892,281)	2.00% 5.55%	$8,100,000	1-Jun-16	1-Apr-46	N/A	Under Construction
2014 Series A	Wincoram Commons II	Suffolk	77	Capital One, National Association LOC	SONYMA	N/A	$13,500,000 ($4,226,895)	2.00% 5.25%	$7,480,000	1-May-15	1-Mar-46	N/A	Under Construction
2014 Series A	CABS Senior Housing	Bronx	110	JPMorgan Chase Bank, N.A. LOC	SONYMA	Section 8 Program	$12,835,000 ($4,489,431)	2.00% 5.25%	$6,800,000	1-May-16	1-Mar-46	96%	Under Rehabilitation
2014 Series B	Bronx Park Phase II	Bronx	534	Freddie Mac	Freddie Mac	Section 8 Program	$49,070,000 ($18,502,059)	2.00% 5.25%	$33,470,000	1-Jul-17	1-May-50	96%	Under Rehabilitation
2014 Series B	CAMBA Gardens Phase II	Kings	292	TD Bank, National Association LOC	SONYMA	Section 8 Program/NYS Office of Mental Health	$49,350,000 ($3,512,545)	2.00% 5.00%	$18,070,000	1-Jun-17	1-Apr-47	N/A	Under Construction
2014 Series B	6469 Broadway Apartments	Bronx	85	JPMorgan Chase Bank, N.A. LOC	SONYMA	Section 8 Program	$13,200,000 ($1,175,200)	2.00% 5.00%	$3,760,000	1-Sep-16	1-July-46	N/A	Under Construction

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security during rehabilitation or construction	Supplemental Security[1]	Subsidy Program[1]	Construction Mortgage Loan Amount (Advances Made to Date) (rounded)	Loan Interest Rate (Construction / Permanent)	Anticipated Amount of Permanent Mortgage Loan	Anticipated Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014 unless otherwise noted)	Risk Assessment (as of January 31, 2014)
2014 Series B	Burnside Walton Apartments	Bronx	88	JPMorgan Chase Bank, N.A. LOC	SONYMA	Section 8 Program/NYS Office of Mental Health	$15,900,000 ($2,102,917)	2.00% 5.00%	$4,000,000	1-Dec-16	1-Oct-46	N/A	Under Construction
2014 Series C	St. Joseph's Preservation	Chemung	66	JPMorgan Chase Bank, N.A. LOC	SONYMA	N/A	$4,200,000 ($1,210,858)	2.00%	$575,000	1-Aug-16	1-Jun-46	94%	Under Rehabilitation
2014 Series C	Braco-Linwood Preservation	Bronx	295	Citibank N..A. LOC	SONYMA	Section 8 Program	$26,450,000 ($15,819,707)	2.00%	$18,420,000	1-Aug-16	1-Jun-46	97%	Under Rehabilitation
2014 Series C	New York Rural Preservation	Clinton Delaware Oswego Saratoga Washington	218	First Niagara Bank, N.A. LOC, confirmed by an LOC from Federal Home Loan Bank of New York	SONYMA	Section 8 Program	$11,000,000 ($982,699)	2.00%	$3,850,000	1-Aug-16	1-Jun-46	98%	Under Rehabilitation
2014 Series D	ArtsBridge Senior Apartments	Bronx	61	Section 202 Capital Advances and Equity	N/A	N/A	$13,650,000 ($1,306,856)	2.00%	N/A	N/A	1-Aug-16	N/A	Under Construction
2014 Series E[4]	188 Warburton Avenue Apartments	Westchester	51	JP Morgan Chase Bank, National Association LOC	SONYMA	N/A	$13,400,000 ($983,992)	2.00% 5.00%	$4,500,000	1-Oct-16	1-Aug-46	N/A	Under Construction
2014 Series E[4]	Brighton Towers	Onondaga	595	JP Morgan Chase Bank, National Association LOC	SONYMA	Section 8 Program/ Section 236 Program	$22,000,000 ($2,367,159)	2.00% 4.75%	$8,795,000	1-Apr-16	1-Feb-46	95%	Under Rehabilitation
2014 Series E[4]	Hudson Art House Lofts	Rensselaer	80	JP Morgan Chase Bank, National Association LOC	SONYMA	N/A	$10,000,000 ($225,582)	2.00% 5.00%	$4,700,000	1-Oct-16	1-Aug-46	N/A	Under Rehabilitation
2014 Series E[4]	Michelsen & Mills III	Monroe	58	JP Morgan Chase Bank, National Association LOC	SONYMA	Section 8 Program	$9,500,000 ($1,028,354)	2.00% 5.00%	$650,000	1-Oct-16	1-Aug-46	N/A	Under Rehabilitation
TOTAL			8,041				$825,450,000 ($448,800,782)		$431,400,000				

[1] See "Exhibit D – Description of Supplemental Security and Subsidy Programs."
[2] A project is considered to be "Unseasoned" until it provides evidence of twelve months of stabilized operations.
[3] Represents number of units following demolition and rehabilitation. The existing buildings are 65% occupied in the aggregate.
[4] As of October 16, 2014.

TABLE 2: PROJECTS AND PERMANENT MORTGAGE LOANS OUTSTANDING UNDER THE PROGRAM AS OF AUGUST 31, 2014 (UNLESS OTHERWISE NOTED)

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security[1]	Subsidy Program[1]	Permanent Loan Interest Rate	Original Amount of Permanent Mortgage Loan (Outstanding Amount of Permanent Mortgage Loan)[2]	Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014)	Physical Inspection (as of January 31, 2014)	Risk Assessment (as of January 31, 2014)
2007 Series A	Abyssinian Towers	New York	100	SONYMA	Section 8 Program	5.45%	$9,350,000 ($8,584,716)	30-Apr-09	1-Sep-38	99%	Good	High
2007 Series B	Ridgeview Special Needs Apartments	Monroe	64	SONYMA	New York State Office of Mental Health	5.50%	$2,700,000 ($2,538,055)	27-May-09	1-Dec-39	100%	Good	Low
2007 Series B	Birches at Esopus	Ulster	81	SONYMA	N/A	5.50%	$3,040,000 ($2,878,194)	18-Nov-09	1-May-40	100%	Good	Low
2007 Series B	Tri Veterans Housing	Monroe	516	SONYMA	N/A	5.50%	$13,960,000 ($13,425,868)	18-Nov-09	1-May-45	96%	Good	Moderate
2007 Series B	Creek Bend	Erie	129	SONYMA	Section 236 Program	5.50%	$3,370,000 ($2,448,811)	27-May-10	1-Nov-38	99%	Good	Low
2007 Series B	Pine Street Homes	Rockland	28	SONYMA	N/A	5.50%	$2,480,000 ($2,367,602)	27-Oct-10	1-Nov-40	100%	Good	Moderate
2007 Series B	Washington Avenue Apartments	Bronx	118	SONYMA	New York State Office of Mental Health	5.60%	$6,730,000 ($6,496,693)	29-Sep-10	1-Sep-45	100%	Good	Low
2007 Series B	Mills at High Falls	Monroe	67	SONYMA	N/A	5.50%	$3,960,000 ($3,749,227)	2-Jun-10	1-May-40	93%	Good	High
2008 Series A	Brookside II Apartments	Ontario	88	SONYMA	N/A	5.70%	$2,780,000 ($2,644,156)	18-Nov-09	1-Jul-40	99%	Good	Low
2008 Series A	Colon Plaza Apartments	New York	55	SONYMA	N/A	5.70%	$3,700,000 ($3,519,200)	5-Aug-11	1-Jul-40	94%	Good	Moderate
2008 Series B	Park Drive Manor I Apartments	Oneida	102	SONYMA	Section 236 Program	5.85%	$3,200,000 ($2,409,859)	13-Jan-10	1-Apr-40	85%	Good	Low
2008 Series B	The Hamilton	Monroe	203	SONYMA	Section 236 Program	5.85%	$7,000,000 ($5,477,255)	24-Feb-10	1-Feb-45	99%	Good	Low
2008 Series B	St. Simon's Terrace	Monroe	256	SONYMA	Section 236 Program	5.85%	$4,005,000 ($2,382,772)	28-Jul-10	1-Apr-40	96%	Fair	Moderate
2008 Series C	Brookdale Village	Queens	547	SONYMA	Section 236 Program	5.75%	$13,590,000 ($9,597,614)	9-May-11	1-Jul-45	99%	Good	Low

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security[1]	Subsidy Program[1]	Permanent Loan Interest Rate	Original Amount of Permanent Mortgage Loan (Outstanding Amount of Permanent Mortgage Loan)[2]	Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014)	Physical Inspection (as of January 31, 2014)	Risk Assessment (as of January 31, 2014)
2008 Series C	Children's Village Residence	Westchester	112	SONYMA	N/A	5.75%	$1,580,000 ($1,493,275)	31-Aug-10	1-Feb-40	97%	Good	Moderate
2008 Series D	625 West 140th Street Apartments	New York	114	SONYMA	Section 8 Program	6.75%	$3,600,000 ($3,476,699)	9-Mar-11	1-Jan-41	98%	Good	Moderate
2008 Series D	Gananda Senior Apartments	Wayne	62	SONYMA	Section 8 Program	6.75%	$2,180,000 ($2,084,191)	11-May-11	1-Apr-40	100%	Good	Moderate
2008 Series D	Woodlands and Barkley	Sullivan	111	SONYMA	Section 8 Program	6.75%	$3,670,000 ($3,532,636)	12-May-10	1-Oct-40	99%	Good	Low
2008 Series D	Birches at Chambers	Ulster	67	SONYMA	N/A	6.75%	$2,470,000 ($2,353,188)	27-Oct-10	1-Feb-40	100%	Good	High
2008 Series D	Loguen Homes	Onondaga	28	SONYMA	N/A	6.75%	$670,000 ($644,922)	24-Nov-10	1-Oct-40	100%	Good	Moderate
2008 Series D	Wesley Hall	Westchester	118	SONYMA	Section 236 Program	6.75%	$3,890,000 ($3,067,453)	14-Jun-10	1-Nov-40	100%	Good	Low
2009 Series A	Adams Court	Nassau	84	SONYMA	Section 8 Program	5.75%	$7,130,000 ($6,889,872)	19-Jan-11	1-Mar-41	100%	Good	Low
2009 Series A	Goodwin Himrod Apartments	Kings	160	SONYMA	Section 8 Program	5.75%	$11,600,000 ($11,096,533)	26-Jan-11	1-Nov-40	99%	Good	Moderate
2009 Series A	Cedar Avenue Apartments	Bronx	106	SONYMA	New York State Office of Mental Health	5.75%	$19,200,000 ($18,531,769)	15-Feb-12	1-Jun-41	100%	Good	Unseasoned[3]
2009 Series B	774 West Main Street Apartments	Monroe	113	SONYMA	New York State Office of Mental Health	5.70%	$18,590,000 ($17,919,042)	11-Mar-11	1-Jan-41	100%	Good	Low
2009 Series B	Madison Plaza Apartments	Oneida	127	SONYMA	Section 236 Program	5.70%	$3,735,000 ($2,942,051)	3-Feb-11	1-Jan-41	90%	Good	Low

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2009 Series B	Parkside Commons	Onondaga	393	SONYMA	Section 8 Program	5.90%	$14,830,000 ($14,429,792)	26-Jan-11	1-Sep-45	94%	Fair	High
2009 Series B	Bedell Terrace Apartments	Nassau	245	SONYMA	Section 8 Program	5.70%	$16,750,000 ($16,143,395)	7-Nov-11	1-Feb-41	98%	Good	Low
2009 Series B	2240 Washington Avenue Residence	Bronx	80	SONYMA	New York State Office of Mental Health/ New York State Office of Alcoholism and Substance Abuse Services	5.70%	$10,765,000 ($10,424,357)	12-Oct-12	1-Jul-41	98%	Good	Low
2009 Series C	Farmington Senior Apartments	Ontario	88	SONYMA	N/A	5.40%	$3,700,000 ($3,572,474)	29-Dec-11	1-Aug-41	93%	Good	Low
2009 Series C	Ogden Heights Senior Apartments	Monroe	89	SONYMA	Section 8 Program	5.40%	$3,990,000 ($3,821,720)	24-Oct-11	1-Feb-41	98%	Good	Low
2009 Series C	Selfhelp Kissena Apartments	Queens	424	SONYMA	N/A	5.40%	$8,260,000 ($7,890,023)	16-Apr-12	1-Dec-40	93%	Good	Moderate
2009 Series D	Artspace Patchogue Lofts Apartments	Suffolk	45	SONYMA	N/A	5.60%	$2,850,000 ($2,751,669)	7-Dec-11	1-Jul-41	96%	Good	Moderate
2009 Series D	F.I.G.H.T. Village Apartments	Monroe	246	SONYMA	Section 8 Program and Section 236 Program	5.60%	$9,935,000 ($8,674,351)	8-Mar-12	1-Apr-41	98%	Good	Low

Applicable Supplemental Resolution	Project Name	County	No. of Units	Supplemental Security[1]	Subsidy Program[1]	Permanent Loan Interest Rate	Original Amount of Permanent Mortgage Loan (Outstanding Amount of Permanent Mortgage Loan)[2]	Permanent Mortgage Loan Closing Date	Final Permanent Mortgage Maturity	Occupancy Rate (as of January 31, 2014)	Physical Inspection (as of January 31, 2014)	Risk Assessment (as of January 31, 2014)
2009 Series D	Grant Park Apartments	Westchester	100	SONYMA	Section 8 Program and Section 9 ACC	5.60%	$7,500,000 ($7,268,767)	4-May-12	1-Oct-41	100%	Good	Unseasoned[3]
2009 Series D	Pine Harbor Apartments	Erie	208	SONYMA	Section 236 Program	5.75%	$11,470,000 ($10,196,179)	28-Feb-11	1-Oct-45	94%	Fair	Moderate
2009 Series D	Stonewood Village Apartments	Monroe	188	SONYMA	Section 8 Program	5.60%	$7,900,000 ($7,617,675)	13-Jun-11	1-Jun-41	98%	Good	Moderate
2010 Series A	Concern MacDougal Apartments	Kings	65	SONYMA	New York State Office of Mental Health	5.25%	$13,465,000 ($12,809,769)	15-Feb-12	1-Nov-40	95%	Good	Low
2010 Series A	Montcalm Apartments	Warren	227	SONYMA	Section 8 Program and Section 236 Program	5.25%	$8,765,000 ($8,040,140)	25-Jan-12	1-Nov-41	96%	Good	Unseasoned[3]
2010 Series A	Westfall Heights Apartments	Monroe	101	SONYMA	Section 236 Program	5.25%	$3,200,000 ($3,048,186)	24-Jan-12	1-Aug-41	97%	Good	Moderate
2010 Series A	Genesis Neighborhood Plaza II	Kings	98	SONYMA	Section 8 Program	5.25%	$7,240,000 ($7,084,827)	1-May-13	1-Aug-42	97%	Good	Moderate
2010 Series B	Clinton-Mohawk Apartments	Oneida	140	SONYMA	Section 8 Program	5.50%	$5,460,000 ($5,302,079)	7-Feb-12	1-Dec-41	97%	Good	Low
2010 Series B	Hughes House Apartments	Bronx	55	SONYMA	New York State Office of Mental Health	5.50%	$11,050,000 ($10,661,976)	18-Jul-12	1-Aug-41	100%	Good	Unseasoned[3]
2010 Series C	Wilcox Lane Apartments	Ontario	119	SONYMA	Section 8 Program and Section 236 Program	5.45%	$3,090,000 ($2,619,254)	25-Sep-12	1-May-42	97%	Good	Low

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2011 Series B	Woodstock Manor Apartments	Westchester	60	SONYMA	Section 8 Program	5.60%	$4,550,000 ($4,447,822)	29-Jan-13	1-Jun-42	100%	Good	Low
2011 Series D	John Crawford Apartments	Sullivan	96	SONYMA	Section 8 Program	5.75%	$4,375,000 ($4,294,299)	9-Jan-13	1-Aug-42	95%	Good	Unseasoned[3]
2011 Series D	Greenacres Apartments	Chautauqua	101	SONYMA	Project Based Section 8	5.75%	$4,550,000 ($4,466,071)	9-Jan-13	1-Aug-42	96%	Good	Unseasoned[3]
2012 Series A[4]	St. Philips Senior Apartments	New York	200	SONYMA	N/A	4.75%	$22,615,000 ($16,628,545)	7-Oct-14	1-Mar-44	89%	Good	Unseasoned[3]
2012 Series B	Surrey Carlton Apartments	Rockland	175	Freddie Mac	Section 8 Program	4.75%	$20,270,000 ($20,037,829)	2-Aug-12	1-Sept-47	97%	Good	Unseasoned[3]
2012 Series B	David E. Podell House	New York	49	SONYMA	Section 8 Program	4.70%	$4,370,000 ($4,330,700)	20-Dec-13	1-Jun-43	96%	Good	Unseasoned[3]
2012 Series B	Yonkers Apartments	Westchester	129	SONYMA	Section 8 Program	4.70%	$14,760,000 ($14,665,558)	17-Apr-14	1-Dec-43	100%	Under Rehabilitation	Unseasoned[3]
2012 Series C	Willoughby Court Apartments	Kings	266	Fannie Mae	N/A	4.50%	$23,445,000 ($23,202,398)	7-Nov-12	1-Nov-44	N/A	Under Rehabilitation	Under Rehabilitation
2012 Series F	The Orenstein Building Apartments	New York	127	Freddie Mac	Section 8 Program	4.50%	$27,400,000 ($27,184,133)	N/A	1-Dec-47	100%	Good	Unseasoned[3]
TOTAL			7,670				$434,735,000 ($404,165,641)					

[1] See "Exhibit D – Description of Supplemental Security and Subsidy Programs."
[2] As of January 31, 2014.
[3] A project is considered to be "Unseasoned" until it provides evidence of twelve months of stabilized operations.
[4] As of October 7, 2014.