S T A T E O F N E W Y O R K

5520

2009-2010 Regular Sessions

I N A S S E M B L Y

February 13, 2009

Introduced by M. of A. V. LOPEZ -- read once and referred to the Committee on Housing

AN ACT to amend the private housing finance law, in relation to providing authority for the New York city housing development corporation to invest in investment agreements provided by rated securities firms and insurance companies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Subdivision 14 of section 654 of the private housing finance law, as amended by chapter 740 of the laws of 1989, is amended to read as follows:

14. To invest any funds held in reserves or sinking funds, or any funds not required for immediate use or disbursement, at the discretion of the corporation, in obligations of the city, state or federal government, obligations the principal and interest of which are guaranteed by the city, state or federal government, obligations of agencies of the federal government which may from time to time be legally purchased by savings banks of the state as investments of funds belonging to them or in their control and be approved by the comptroller, obligations in which the comptroller of the state of New York is authorized to invest pursuant to section ninety-eight of the state finance law, obligations of the New York city municipal water finance authority, participation certificates of the federal home loan mortgage corporation [or], mortgage-backed securities of the federal national mortgage association[.], *OR INVESTMENT AGREEMENTS CONTINUOUSLY SECURED BY OBLIGATIONS WITH ANY INSURANCE OR REINSURANCE COMPANY OR CORPORATE AFFILIATE THEREOF RATED BY AT LEAST TWO OF THE THREE NATIONALLY RECOGNIZED RATING AGENCIES IN ONE OF ITS TWO HIGHEST CATEGORIES, PROVIDED THAT EACH OF THE FOLLOWING CONDITIONS BE SATISFIED FOR INVESTMENT AGREEMENTS WITH INSURANCE OR REINSURANCE COMPANIES OR THEIR CORPORATE AFFILIATES: (I) SUCH OBLIGATIONS SECURING SUCH INVESTMENT AGREEMENTS SHALL BE OF THE TYPE AUTHOR-*

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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IZED TO BE PURCHASED BY THE CORPORATION PURSUANT TO THIS SUBDIVISION; (II) SUCH OBLIGATIONS SECURING SUCH INVESTMENT AGREEMENTS ARE DELIVERED TO A TRUSTEE FOR THE BENEFIT OF THE CORPORATION OR, WITH RESPECT TO MONEYS PLEDGED UNDER A RESOLUTION RELATING TO BONDS OR NOTES OF THE CORPORATION, TO THE TRUSTEE UNDER SUCH RESOLUTION, OR ARE SUPPORTED BY A SAFE KEEPING RECEIPT ISSUED BY A DEPOSITORY SATISFACTORY TO THE CORPORATION AS APPLICABLE, PROVIDED SUCH INVESTMENT AGREEMENTS PROVIDE THAT THE VALUE OF THE UNDERLYING OBLIGATIONS SHALL BE MAINTAINED AT A CURRENT MARKET VALUE, CALCULATED NO LESS FREQUENTLY THAN MONTHLY, OF NOT LESS THAN THE AMOUNT DEPOSITED THEREUNDER; AND (III) SUCH OBLIGATIONS ARE FREE AND CLEAR OF ADVERSE THIRD PARTY CLAIMS;

S 2. This act shall take effect immediately.