

1238

2009-2010 Regular Sessions

I N S E N A T E

January 28, 2009

Introduced by Sens. THOMPSON, ONORATO -- read twice and ordered printed,
and when printed to be committed to the Committee on Housing,
Construction and Community Development

AN ACT to amend the private housing finance law, in relation to creating
the Buffalo housing development corporation

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

1 Section 1. The private housing finance law is amended by adding a new
2 article 14 to read as follows:

3 ARTICLE XIV

4 BUFFALO HOUSING DEVELOPMENT CORPORATION

5 SECTION 700. SHORT TITLE.

6 701. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE.

7 702. DEFINITIONS.

8 703. BUFFALO HOUSING DEVELOPMENT CORPORATION.

9 704. POWERS OF THE CORPORATION.

10 705. SUBSIDIARIES; HOW CREATED.

11 706. HOUSING ASSISTANCE CORPORATION.

12 707. RESIDENTIAL MORTGAGE INSURANCE CORPORATION.

13 708. NOTES AND BONDS OF THE CORPORATION.

14 709. AUTHORIZATION OF CONTRACTS FOR TAXATION BY THE UNITED
15 STATES OF INTEREST ON OBLIGATIONS GUARANTEED THEREBY.

16 710. RESERVE FUNDS AND APPROPRIATIONS.

17 711. AGREEMENT WITH THE STATE.

18 712. STATE AND CITY NOT LIABLE ON NOTES AND BONDS.

19 713. CITY'S RIGHT TO REQUIRE REDEMPTION OF BONDS.

20 714. REMEDIES OF NOTEHOLDERS AND BONDHOLDERS.

21 715. ASSISTANCE TO THE CORPORATION.

22 716. NOTES AND BONDS AS LEGAL INVESTMENTS.

23 717. EXEMPTION FROM TAXATION.

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

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718. EMPLOYEES OF THE CORPORATION.
719. ASSISTANCE BY THE DIVISION OF RESIDENTIAL DEVELOPMENT.
720. MONEYS OF THE CORPORATION.
721. ACTIONS.
722. ANNUAL REPORT.
723. SEVERABILITY.
724. INCONSISTENT PROVISIONS IN OTHER LAWS SUPERSEDED.

S 700. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "BUFFALO HOUSING DEVELOPMENT CORPORATION ACT".

S 701. STATEMENT OF LEGISLATIVE FINDINGS AND PURPOSE. 1. THERE CONTINUES TO EXIST IN THE CITY OF BUFFALO A SERIOUSLY INADEQUATE SUPPLY OF SAFE AND SANITARY DWELLING ACCOMMODATIONS WITHIN THE FINANCIAL REACH OF FAMILIES AND PERSONS OF LOW INCOME. THE ORDINARY OPERATIONS OF PRIVATE ENTERPRISE CANNOT PROVIDE AN ADEQUATE SUPPLY OF SUCH ACCOMMODATIONS AT RENTALS AND CARRYING CHARGES WHICH FAMILIES AND PERSONS OF LOW INCOME CAN AFFORD. IN ORDER TO ENCOURAGE THE INVESTMENT OF PRIVATE CAPITAL AND PROVIDE SUCH DWELLING ACCOMMODATIONS, PROVISIONS SHOULD BE MADE FOR MORTGAGE LOANS AT LOW INTEREST RATES TO HOUSING COMPANIES THAT, SUBJECT TO REGULATION AS TO RENTS, PROFITS, DIVIDENDS AND DISPOSITION OF THEIR PROPERTY, SUPPLY MULTIPLE DWELLING ACCOMMODATIONS, AND OTHER FACILITIES INCIDENTAL OR APPURTENANT THERETO TO SUCH FAMILIES AND PERSONS. FOR THAT PURPOSE THERE SHOULD BE CREATED A CORPORATE GOVERNMENTAL AGENCY, TO BE KNOWN AS THE "BUFFALO HOUSING DEVELOPMENT CORPORATION," WHICH, THROUGH THE ISSUANCE OF ITS BONDS, NOTES OR OTHER OBLIGATIONS TO THE PRIVATE INVESTING PUBLIC, MAY ATTRACT A BROAD BASE OF INVESTMENT BY THE GREATEST NUMBER OF THE GENERAL PUBLIC AND OBTAIN THE FUNDS NECESSARY TO MAKE OR FINANCE THE MAKING OF SUCH MORTGAGE LOANS.

2. THERE ALSO EXISTS IN THE CITY OF BUFFALO A LARGE NUMBER OF MULTIPLE DWELLINGS WHICH ARE INADEQUATE, UNSAFE OR INSANITARY AND WHICH CAN BE MADE ADEQUATE, SAFE, AND SANITARY BY REHABILITATION OR OTHER IMPROVEMENT. SUCH REHABILITATION OR IMPROVEMENT CANNOT READILY BE PROVIDED BY THE ORDINARY OPERATIONS OF PRIVATE ENTERPRISE WITHOUT PUBLIC AID IN THE FORM OF LOW INTEREST LOANS TO THE OWNERS OF SUCH MULTIPLE DWELLINGS. IN ORDER TO ENCOURAGE THE INVESTMENT OF PRIVATE CAPITAL IN SUCH REHABILITATION AND IMPROVEMENT, THE AGENCY SHOULD ALSO BE EMPOWERED, THROUGH THE ISSUANCE OF ITS BONDS, NOTES OR OTHER OBLIGATIONS TO THE PRIVATE INVESTING PUBLIC, TO OBTAIN THE FUNDS NECESSARY TO MAKE OR FINANCE THE MAKING OF SUCH LOW INTEREST LOANS.

THE NECESSITY IN THE PUBLIC INTEREST FOR THE PROVISIONS ENACTED IN THIS ARTICLE IS HEREBY DECLARED AS A MATTER OF LEGISLATIVE DETERMINATION.

S 702. DEFINITIONS. AS USED OR REFERRED TO IN THIS ARTICLE, UNLESS A DIFFERENT MEANING CLEARLY APPEARS FROM THE CONTEXT:

1. "CORPORATION" SHALL MEAN THE CORPORATE GOVERNMENTAL AGENCY CREATED BY SECTION SEVEN HUNDRED THREE OF THIS ARTICLE.

2. "STATE" SHALL MEAN THE STATE OF NEW YORK.

3. "CITY" SHALL MEAN THE CITY OF BUFFALO.

4. "MAYOR" SHALL MEAN THE MAYOR OF THE CITY OF BUFFALO.

5. "COMPTROLLER" SHALL MEAN THE COMPTROLLER OF THE CITY OF BUFFALO.

6. "COMMISSIONER OF ADMINISTRATION AND FINANCE" SHALL MEAN THE COMMISSIONER OF ADMINISTRATION AND FINANCE OF THE CITY OF BUFFALO.

7. "BUDGET DIRECTOR" SHALL MEAN THE BUDGET DIRECTOR OF THE CITY OF BUFFALO.

8. "DIVISION OF RESIDENTIAL DEVELOPMENT" SHALL MEAN THE OFFICER, BOARD, COMMISSION, DEPARTMENT OR AGENCY DESIGNATED BY THE CITY OF

BUFFALO TO CARRY OUT THE PURPOSE AND PROVISIONS OF ARTICLE SIXTEEN OF THE GENERAL MUNICIPAL LAW.

9. "BONDS" AND "NOTES" SHALL MEAN REVENUE BONDS AND NOTES RESPECTIVELY, ISSUED BY THE CORPORATION PURSUANT TO THIS ARTICLE.

10. "REVENUES" SHALL MEAN THE FEES AND CHARGES MADE OR RECEIVED BY THE CORPORATION, AND ALL OR ANY PART OF THE MONEYS RECEIVED IN PAYMENT OF MORTGAGE LOANS AND INTEREST THEREON, INCLUDING PREPAYMENTS AND OTHER MONEYS RECEIVED OR TO BE RECEIVED.

11. "OPERATING EXPENSES" SHALL MEAN ALL COSTS OF ADMINISTERING THE CORPORATION, INCLUDING BUT NOT LIMITED TO SALARIES AND WAGES, EXPENSES OF ADMINISTERING STAFF FUNCTIONS, FEES OF PROFESSIONAL CONSULTANTS, LEGAL FEES, CHARGES INCURRED FOR SERVICING OF MORTGAGE LOANS, MONEY MANAGEMENT, OFFICE RENTS, UTILITY CHARGES, COSTS OF SUPPLIES, FURNISHINGS, EQUIPMENT, MACHINERY AND APPARATUS, MAINTENANCE AND REPAIR OF PROPERTY AND OTHER EXPENSES INCURRED IN CONNECTION WITH THE FOREGOING.

12. "MAXIMUM CAPITAL RESERVE FUND REQUIREMENT" SHALL MEAN, AS OF ANY PARTICULAR DATE OF COMPUTATION, AN AMOUNT OF MONEY EQUAL TO THE GREATEST OF THE RESPECTIVE AMOUNTS, FOR THE THEN CURRENT OR ANY FUTURE FISCAL YEAR OF THE CORPORATION, OF ANNUAL DEBT SERVICE OF THE CORPORATION, SUCH ANNUAL DEBT SERVICE FOR ANY FISCAL YEAR BEING THE AMOUNT OF MONEY EQUAL TO THE AGGREGATE OF (A) ALL INTEREST PAYABLE DURING SUCH FISCAL YEAR ON ALL BONDS OF THE CORPORATION SECURED BY THE CAPITAL RESERVE FUND OR FUNDS FOR WHICH SUCH REQUIREMENT IS TO BE DETERMINED, OTHER THAN BONDS ISSUED PURSUANT TO SUBDIVISION TWO OF SECTION SEVEN HUNDRED TEN OF THIS ARTICLE, OUTSTANDING ON SAID DATE OF COMPUTATION, PLUS (B) THE PRINCIPAL AMOUNT OF ALL BONDS OF THE CORPORATION SECURED BY THE CAPITAL RESERVE FUND OR FUNDS FOR WHICH SUCH REQUIREMENT IS TO BE DETERMINED, OTHER THAN BONDS ISSUED PURSUANT TO SUBDIVISION TWO OF SECTION SEVEN HUNDRED TEN OF THIS ARTICLE OUTSTANDING ON SAID DATE OF COMPUTATION WHICH MATURES DURING SUCH FISCAL YEAR, PLUS (C) THE AMOUNT OF ALL ANNUAL SINKING FUND PAYMENTS PAYABLE DURING SUCH FISCAL YEAR WITH RESPECT TO ANY BONDS OF THE CORPORATION SECURED BY THE CAPITAL RESERVE FUND OR FUNDS FOR WHICH SUCH REQUIREMENT IS TO BE DETERMINED, OTHER THAN BONDS ISSUED PURSUANT TO SUBDIVISION TWO OF SECTION SEVEN HUNDRED TEN OF THIS ARTICLE, OUTSTANDING ON SAID DATE OF COMPUTATION.

13. "ANNUAL SINKING FUND PAYMENT" SHALL MEAN THE AMOUNT OF MONEY SPECIFIED IN THE RESOLUTION AUTHORIZING TERM BONDS AS PAYABLE INTO A SINKING FUND DURING A PARTICULAR FISCAL YEAR FOR THE RETIREMENT OF TERM BONDS WHICH MATURE AFTER SUCH FISCAL YEAR, BUT SHALL NOT INCLUDE ANY AMOUNT PAYABLE BY REASON ONLY OF THE MATURITY OF A BOND.

14. "LENDING INSTITUTION" SHALL MEAN ANY BANK OR TRUST COMPANY OR SAVINGS BANK, OR ANY CORPORATION, ASSOCIATION OR OTHER ENTITY WHICH IS OWNED OR CONTROLLED BY ANY ONE OR MORE SUCH BANK OR TRUST COMPANY OR SAVINGS BANK, OR ANY SAVINGS AND LOAN ASSOCIATION, INDUSTRIAL BANK, CREDIT UNION, FEDERAL NATIONAL MORTGAGE ASSOCIATION APPROVED MORTGAGE BANKER, NATIONAL BANKING ASSOCIATION, FEDERAL SAVINGS AND LOAN ASSOCIATION, PENSION FUND, INSURANCE COMPANY, FEDERAL CREDIT UNION OR OTHER FINANCIAL INSTITUTION OR GOVERNMENTAL AGENCY OF THE UNITED STATES WHICH CUSTOMARILY MAKES, PURCHASES, HOLDS OR SERVICES RESIDENTIAL MORTGAGES.

S 703. BUFFALO HOUSING DEVELOPMENT CORPORATION. 1. THERE IS HEREBY CREATED THE "BUFFALO HOUSING DEVELOPMENT CORPORATION". THE CORPORATION SHALL BE A CORPORATE GOVERNMENTAL AGENCY, PERPETUAL IN DURATION, AND SHALL CONSTITUTE A PUBLIC BENEFIT CORPORATION. IT SHALL CONSIST OF SEVEN MEMBERS AS FOLLOWS: THE DIRECTOR OF THE DIVISION OF RESIDENTIAL DEVELOPMENT, WHO SHALL SERVE AS CHAIRPERSON, THE COMMISSIONER OF ADMIN-

1 ISTRATION AND FINANCE, THE BUDGET DIRECTOR, TWO PUBLIC MEMBERS TO BE
2 APPOINTED BY THE MAYOR AND TWO PUBLIC MEMBERS TO BE APPOINTED BY THE
3 GOVERNOR. THE PUBLIC MEMBERS FIRST APPOINTED BY THE MAYOR OR THE GOVER-
4 NOR, AS MAY BE THE CASE, SHALL SERVE FOR TERMS ENDING TWO AND FOUR YEARS
5 RESPECTIVELY FROM JANUARY FIRST NEXT SUCCEEDING THE DATE OF THEIR
6 APPOINTMENT. THEIR SUCCESSORS SHALL SERVE FOR TERMS OF FOUR YEARS EACH.
7 MEMBERS SHALL CONTINUE IN OFFICE UNTIL THEIR SUCCESSORS HAVE BEEN
8 APPOINTED AND QUALIFIED. THE MAYOR OR THE GOVERNOR SHALL FILL ANY
9 VACANCY WHICH MAY OCCUR BY REASON OF DEATH, RESIGNATION OR OTHERWISE IN
10 A MANNER CONSISTENT WITH THE ORIGINAL APPOINTMENT. A PUBLIC MEMBER MAY
11 BE REMOVED BY THE MAYOR OR THE GOVERNOR, WHOEVER APPOINTED SUCH MEMBER,
12 FOR CAUSE, BUT NOT WITHOUT AN OPPORTUNITY TO BE HEARD IN PERSON OR BY
13 COUNSEL, IN SUCH MEMBER'S DEFENSE, UPON NOT LESS THAN TEN DAYS' NOTICE.

14 2. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF THIS OR ANY OTHER
15 GENERAL, SPECIAL OR LOCAL LAW, NO OFFICER OR EMPLOYEE OF THE STATE, OR
16 OF ANY CIVIL DIVISION THEREOF, OR OF ANY PUBLIC CORPORATION, AS DEFINED
17 IN THE GENERAL CONSTRUCTION LAW, SHALL BE DEEMED TO HAVE FORFEITED OR
18 SHALL FORFEIT SUCH PERSON'S OFFICE OR EMPLOYMENT OR ANY BENEFITS
19 PROVIDED UNDER THE RETIREMENT AND SOCIAL SECURITY LAW OR UNDER ANY
20 PUBLIC RETIREMENT SYSTEM MAINTAINED BY THE STATE OR BY THE CIVIL DIVI-
21 SIONS THEREOF BY REASON OF SUCH PERSON'S ACCEPTANCE OF MEMBERSHIP ON OR
22 BY VIRTUE OF SUCH PERSON BEING AN OFFICER, EMPLOYEE OR AGENT OF THE
23 CORPORATION. A MEMBER SHALL NOT RECEIVE A SALARY OR OTHER COMPENSATION
24 FOR SERVICES RENDERED PURSUANT TO THIS ARTICLE BUT SHALL BE ENTITLED TO
25 REIMBURSEMENT FOR SUCH MEMBER'S ACTUAL AND NECESSARY EXPENSES INCURRED
26 IN THE PERFORMANCE OF SUCH SERVICES. THE MEMBERS MAY ENGAGE IN PRIVATE
27 EMPLOYMENT OR IN A PROFESSION OR BUSINESS, UNLESS OTHERWISE PROHIBITED
28 FROM DOING SO BY VIRTUE OF HOLDING ANOTHER PUBLIC OFFICE, SUBJECT TO THE
29 PROVISIONS OF ARTICLE EIGHTEEN OF THE GENERAL MUNICIPAL LAW. FOR THE
30 PURPOSES OF SUCH ARTICLE EIGHTEEN, THE CORPORATION SHALL BE A "MUNICI-
31 PALITY" AND A MEMBER SHALL BE A "MUNICIPAL OFFICER".

32 3. THE POWERS OF THE CORPORATION SHALL BE VESTED IN AND EXERCISED BY
33 NO LESS THAN FOUR OF THE MEMBERS THEREOF THEN IN OFFICE. THE CORPORATION
34 MAY DELEGATE TO ONE OR MORE OF ITS MEMBERS, OFFICERS, AGENTS OR EMPLOY-
35 EES SUCH POWERS AND DUTIES AS IT MAY DEEM PROPER.

36 4. THE CORPORATION AND ITS CORPORATE EXISTENCE SHALL CONTINUE UNTIL
37 TERMINATED BY LAW; PROVIDED, HOWEVER, THAT NO SUCH LAW SHALL TAKE EFFECT
38 SO LONG AS THE CORPORATION SHALL HAVE NOTES, BONDS, OR OTHER OBLIGATIONS
39 OUTSTANDING. UPON TERMINATION OF THE EXISTENCE OF THE CORPORATION ALL
40 OF ITS RIGHTS AND PROPERTIES SHALL PASS TO AND BE VESTED IN THE CITY.

41 S 704. POWERS OF THE CORPORATION. EXCEPT AS OTHERWISE LIMITED BY THIS
42 ARTICLE, THE CORPORATION SHALL HAVE POWER:

43 1. TO SUE AND BE SUED;

44 2. TO HAVE A SEAL AND ALTER THE SAME AT PLEASURE;

45 3. TO MAKE AND ALTER BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGE-
46 MENT AND, SUBJECT TO AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS, TO MAKE
47 RULES AND REGULATIONS GOVERNING THE USE OF ITS PROPERTY AND FACILITIES;

48 4. TO MAKE AND EXECUTE CONTRACTS AND ALL OTHER INSTRUMENTS NECESSARY
49 OR CONVENIENT FOR THE EXERCISE OF ITS POWERS AND FUNCTIONS UNDER THIS
50 ARTICLE;

51 5. TO ACQUIRE, HOLD AND DISPOSE OF REAL AND/OR PERSONAL PROPERTY FOR
52 ITS CORPORATE PURPOSES;

53 6. TO APPOINT OFFICERS, AGENTS AND EMPLOYEES, PRESCRIBE THEIR DUTIES
54 AND QUALIFICATIONS AND FIX THEIR COMPENSATION, SUBJECT TO THE PROVISIONS
55 OF THE CIVIL SERVICE LAW AND THE RULES OF THE CIVIL SERVICE COMMISSION
56 OF THE CITY;

1 7. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
2 BONDHOLDERS, TO MAKE MORTGAGE LOANS, TO PARTICIPATE WITH THE CITY OR
3 WITH ONE OR MORE ORGANIZATIONS MENTIONED IN SECTION FIFTEEN OF THIS
4 CHAPTER IN MAKING MORTGAGE LOANS AND TO UNDERTAKE COMMITMENTS TO MAKE
5 ANY SUCH MORTGAGE LOANS TO HOUSING COMPANIES, INCLUDING ANY SUBSIDIARY
6 OF THE CORPORATION, ON THE SAME TERMS AND OTHERWISE IN ACCORDANCE WITH
7 THE PROVISIONS OF ARTICLE TWO OF THIS CHAPTER GOVERNING LOANS BY A MUNI-
8 CIPALITY;

9 8. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
10 BONDHOLDERS, TO MAKE MORTGAGE LOANS, TO PARTICIPATE WITH THE CITY OR
11 WITH ONE OR MORE ORGANIZATIONS SET FORTH IN SECTION ONE HUNDRED ELEVEN-A
12 OF THIS CHAPTER IN MAKING MORTGAGE LOANS AND TO UNDERTAKE COMMITMENTS TO
13 MAKE ANY SUCH MORTGAGE LOANS TO REDEVELOPMENT COMPANIES ORGANIZED UNDER
14 ARTICLE FIVE OF THIS CHAPTER;

15 9. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
16 BONDHOLDERS, TO MAKE MORTGAGE LOANS INCLUDING PARTICIPATION AND INVEST-
17 MENT WITH THE CITY OR WITH ONE OR MORE CORPORATIONS, ORGANIZATIONS OR
18 INDIVIDUALS OF THE KIND MENTIONED IN SECTION FOUR HUNDRED SEVEN OF THIS
19 CHAPTER IN MAKING MORTGAGE LOANS AND TO UNDERTAKE COMMITMENTS TO MAKE
20 MORTGAGE LOANS TO OWNERS OF EXISTING MULTIPLE DWELLINGS, INCLUDING ANY
21 SUBSIDIARY OF THE CORPORATION, ON THE SAME TERMS AND OTHERWISE IN
22 ACCORDANCE WITH THE PROVISIONS OF ARTICLE EIGHT OF THIS CHAPTER, EXCEPT
23 THAT SUCH LOANS SHALL IN ALL CASES BE SECURED BY A FIRST LIEN;

24 10. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS OR
25 BONDHOLDERS, TO PARTICIPATE WITH THE CITY OR ONE OR MORE PRIVATE INVES-
26 TORS AS DEFINED IN SECTION EIGHT HUNDRED ONE OF THIS CHAPTER OR WITH THE
27 CITY AND ONE OR MORE SUCH PRIVATE INVESTORS IN MAKING LOANS TO THE
28 OWNERS OF MULTIPLE DWELLINGS OR NON-RESIDENTIAL PROPERTY TO BE CONVERTED
29 INTO MULTIPLE DWELLINGS, IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE
30 FIFTEEN OF THIS CHAPTER;

31 11. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
32 BONDHOLDERS, TO SELL, AT PUBLIC OR PRIVATE SALE, ANY MORTGAGE OR OTHER
33 OBLIGATION SECURING A MORTGAGE LOAN MADE BY THE CORPORATION;

34 12. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
35 BONDHOLDERS, IN CONNECTION WITH THE MAKING OF MORTGAGE LOANS AND COMMIT-
36 MENTS THEREFOR, TO MAKE AND COLLECT SUCH FEES AND CHARGES, INCLUDING BUT
37 NOT LIMITED TO REIMBURSEMENT OF ALL COSTS OF FINANCING BY THE CORPO-
38 RATION, SERVICE CHARGES AND INSURANCE PREMIUMS, AS THE CORPORATION SHALL
39 DETERMINE TO BE REASONABLE;

40 13. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
41 BONDHOLDERS, TO CONSENT TO THE MODIFICATION, WITH RESPECT TO RATE OF
42 INTEREST, TIME OF PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR INTEREST,
43 SECURITY, OR ANY OTHER TERM, OF ANY MORTGAGE, MORTGAGE LOAN, MORTGAGE
44 LOAN COMMITMENT, CONTRACT OR AGREEMENT OF ANY KIND TO WHICH THE CORPO-
45 RATION IS A PARTY;

46 14. TO FORECLOSE ANY MORTGAGE IN DEFAULT OR COMMENCE ANY ACTION TO
47 PROTECT OR ENFORCE ANY RIGHT CONFERRED UPON IT BY ANY LAW, MORTGAGE,
48 CONTRACT OR OTHER AGREEMENT, AND TO BID FOR AND PURCHASE SUCH PROPERTY
49 AT ANY FORECLOSURE OR AT ANY OTHER SALE, OR ACQUIRE OR TAKE POSSESSION
50 OF ANY SUCH PROPERTY; AND IN SUCH EVENT THE CORPORATION MAY COMPLETE,
51 ADMINISTER, PAY THE PRINCIPAL OF AND INTEREST ON ANY OBLIGATIONS
52 INCURRED IN CONNECTION WITH SUCH PROPERTY, DISPOSE OF, AND OTHERWISE
53 DEAL WITH, SUCH PROPERTY, IN SUCH MANNER AS MAY BE NECESSARY OR DESIRA-
54 BLE TO PROTECT THE INTERESTS OF THE CORPORATION THEREIN;

55 15. TO CREATE SUBSIDIARIES, AS PROVIDED IN SECTION SEVEN HUNDRED FIVE
56 OF THIS ARTICLE;

1 16. TO BORROW MONEY AND TO ISSUE NEGOTIABLE NOTES OR BONDS OR OTHER
2 OBLIGATIONS AND TO FUND OR REFUND THE SAME, AND TO PROVIDE FOR THE
3 RIGHTS OF THE HOLDERS OF ITS OBLIGATIONS;

4 17. TO INVEST ANY FUNDS HELD IN RESERVES OR SINKING FUNDS, OR ANY
5 FUNDS NOT REQUIRED FOR IMMEDIATE USE OR DISBURSEMENT, AT THE DISCRETION
6 OF THE CORPORATION, IN OBLIGATIONS OF THE CITY, STATE OR FEDERAL GOVERN-
7 MENT, OBLIGATIONS THE PRINCIPAL AND INTEREST OF WHICH ARE GUARANTEED BY
8 THE CITY, STATE OR FEDERAL GOVERNMENT, OBLIGATIONS OF AGENCIES OF THE
9 FEDERAL GOVERNMENT WHICH MAY FROM TIME TO TIME BE LEGALLY PURCHASED BY
10 SAVINGS BANKS OF THE STATE AS INVESTMENTS OF FUNDS BELONGING TO THEM OR
11 IN THEIR CONTROL AND BE APPROVED BY THE COMPTROLLER, OBLIGATIONS IN
12 WHICH THE COMPTROLLER OF THE STATE OF NEW YORK IS AUTHORIZED TO INVEST
13 PURSUANT TO SECTION NINETY-EIGHT OF THE STATE FINANCE LAW, PARTICIPATION
14 CERTIFICATES OF THE FEDERAL HOME LOAN MORTGAGE CORPORATION OR MORTGAGE-
15 BACKED SECURITIES OF THE FEDERAL NATIONAL MORTGAGE ASSOCIATION.

16 18. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
17 BONDHOLDERS AND SUBJECT TO THE PROVISIONS OF SECTION SEVEN HUNDRED EIGHT
18 OF THIS ARTICLE, TO PURCHASE NOTES OR BONDS OF THE CORPORATION;

19 19. TO PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS PROP-
20 erty AND OTHER ASSETS INCLUDING MORTGAGES AND MORTGAGE LOANS IN SUCH
21 AMOUNTS AND FROM SUCH INSURERS AS IT DEEMS DESIRABLE;

22 20. TO ENGAGE THE SERVICES OF CONSULTANTS ON A CONTRACT BASIS FOR
23 RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE; AND WHERE
24 THE CORPORATION SHALL JOIN WITH ONE OR MORE ORGANIZATIONS MENTIONED IN
25 SECTION FIFTEEN, ONE HUNDRED ELEVEN-A OR FOUR HUNDRED SEVEN OF THIS
26 CHAPTER IN MAKING MORTGAGE LOANS, TO MAKE PROVISIONS, EITHER IN THE
27 MORTGAGE OR MORTGAGES OR BY SEPARATE AGREEMENT, FOR THE PERFORMANCE OF
28 SUCH SERVICES AS ARE GENERALLY PERFORMED BY A BANKING ORGANIZATION OR
29 INSURANCE COMPANY WHICH ITSELF OWNS AND HOLDS A MORTGAGE OR BY A TRUSTEE
30 UNDER A TRUST MORTGAGE, AND TO CONSENT TO THE APPOINTMENT OF A BANKING
31 ORGANIZATION TO ACT IN SUCH CAPACITY;

32 21. TO CONTRACT FOR AND TO ACCEPT ANY GIFTS OR GRANTS OR LOANS OF
33 FUNDS OR PROPERTY OR FEES FOR ADMINISTERING ANY FEDERAL RENTAL SUBSIDY
34 CONTRACT OR FINANCIAL OR OTHER AID IN ANY FORM, INCLUDING BUT NOT LIMIT-
35 ED TO MORTGAGE INSURANCE, FROM THE FEDERAL GOVERNMENT OR ANY AGENCY OR
36 INSTRUMENTALITY THEREOF, OR FROM THE STATE OR ANY AGENCY OR INSTRUMEN-
37 TALITY THEREOF, OR FROM ANY OTHER SOURCE AND TO COMPLY, SUBJECT TO THE
38 PROVISIONS OF THIS ARTICLE, WITH THE TERMS AND CONDITIONS THEREOF;

39 22. AS SECURITY FOR THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON
40 ANY BONDS SO ISSUED AND ANY AGREEMENTS MADE IN CONNECTION THEREWITH, TO
41 PLEDGE ALL OR ANY PART OF ITS REVENUES;

42 23. NOTWITHSTANDING THE PROVISIONS OF THIS CHAPTER OR OF ANY OTHER
43 LAW, GENERAL, SPECIAL OR LOCAL, WHENEVER THE CORPORATION SHALL FIND THAT
44 THE MAXIMUM RENTALS CHARGED TENANTS OF THE DWELLINGS IN ANY PROJECT
45 FINANCED BY THE CORPORATION IN WHOLE OR IN PART SHALL NOT BE SUFFICIENT,
46 TOGETHER WITH ALL OTHER INCOME OF THE MORTGAGOR, TO MEET WITHIN REASON-
47 ABLE LIMITS ALL NECESSARY PAYMENTS TO BE MADE BY THE MORTGAGOR OF ALL
48 EXPENSES INCLUDING FIXED CHARGES, SINKING FUNDS, RESERVES AND DIVIDENDS,
49 TO REQUEST THE MORTGAGOR TO MAKE APPLICATION TO VARY THE RENTAL RATE FOR
50 SUCH DWELLINGS SO AS TO SECURE SUFFICIENT INCOME, AND UPON FAILURE OF
51 THE MORTGAGOR TO TAKE SUCH ACTION WITHIN THIRTY DAYS AFTER RECEIPT OF
52 WRITTEN REQUEST FROM THE CORPORATION TO DO SO, TO REQUEST THE SUPERVIS-
53 ING AGENCY TO TAKE ACTION UPON SUCH AGENCY'S OWN MOTION SO TO VARY SUCH
54 RENTAL RATE, AND UPON FAILURE OF THE SUPERVISING AGENCY EITHER UPON
55 APPLICATION BY THE MORTGAGOR OR UPON ITS OWN MOTION SO TO VARY SUCH
56 RENTAL RATE WITHIN SIXTY DAYS AFTER RECEIPT OF WRITTEN REQUEST FROM THE

1 CORPORATION TO DO SO, TO VARY SUCH RENTAL RATE BY ACTION OF THE CORPO-
2 RATION;

3 24. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
4 BONDHOLDERS, TO ACQUIRE AND TO CONTRACT TO ACQUIRE, BY ASSIGNMENT OR
5 OTHERWISE, OR TO TAKE AS COLLATERAL SECURITY, ANY MORTGAGE SECURING A
6 LOAN, INCLUDING ANY CONSTRUCTION LOAN, AND ANY NOTE OR BOND EVIDENCING
7 INDEBTEDNESS THEREON, MADE BY THE CITY IN ACCORDANCE WITH THE PROVISIONS
8 OF ARTICLE TWO OF THIS CHAPTER AND ANY CONTRACT OR ARRANGEMENT, INCLUD-
9 ING ANY SUBSIDY CONTRACT OR ARRANGEMENT, RELATED TO SUCH MORTGAGE, AND
10 THE RECEIPTS TO BE DERIVED FROM ANY OF THE FOREGOING, AND TO ASSUME AND
11 FULFILL AND CONTRACT TO ASSUME AND FULFILL THE OBLIGATIONS OF THE MORT-
12 GAGEE OR LENDER THEREUNDER, AND TO REASSIGN AND TO CONTRACT TO REASSIGN
13 TO THE CITY ANY SUCH MORTGAGE, NOTE, BOND, CONTRACT OR ARRANGEMENT AND
14 THE RECEIPTS TO BE DERIVED THEREFROM;

15 25. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
16 BONDHOLDERS, TO ASSIGN OR PLEDGE ANY MORTGAGE, BOND, NOTE, CONTRACT,
17 SECURITY, OR ARRANGEMENT AND THE RECEIPTS TO BE DERIVED FROM ANY OF THE
18 FOREGOING, ACQUIRED PURSUANT TO THIS SECTION;

19 26. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
20 BONDHOLDERS, TO ACQUIRE AND TO CONTRACT TO ACQUIRE, BY ASSIGNMENT OR
21 OTHERWISE, ANY MORTGAGE SECURING A LOAN, INCLUDING ANY CONSTRUCTION
22 LOAN, AND ANY NOTE OR BOND EVIDENCING INDEBTEDNESS THEREON, MADE BY THE
23 CITY IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE TWO OF THIS CHAPTER
24 AND ANY CONTRACT OR ARRANGEMENT, INCLUDING ANY SUBSIDY CONTRACT OR
25 ARRANGEMENT, RELATED TO SUCH MORTGAGE, AND TO MODIFY OR TO SATISFY SUCH
26 MORTGAGE AND ACCEPT OR MAKE A NEW MORTGAGE OR MORTGAGES AND OTHER
27 INSTRUMENTS, INCLUDING MORTGAGES TO SECURE RESIDUAL INDEBTEDNESS AND
28 INSTRUMENTS TO EVIDENCE RESIDUAL RECEIPTS OBLIGATIONS AS DEFINED IN
29 SECTION TWELVE OF THIS CHAPTER AND TO ENTER INTO AMENDED SUBSIDY
30 CONTRACTS, AND (A) TO HOLD OR TO SELL, ASSIGN OR OTHERWISE DISPOSE OF
31 SUCH MORTGAGE OR MORTGAGES, INCLUDING THOSE MADE IN SUBSTITUTION THEREOF
32 AND ANY RELATED INSTRUMENTS, CONTRACTS AND ARRANGEMENTS, OR TO ISSUE
33 OBLIGATIONS SECURED BY SUCH MORTGAGE OR MORTGAGES, AND PAY TO THE CITY
34 THE PROCEEDS OF SUCH SALE, ASSIGNMENT OR OTHER DISPOSITION OF SUCH MORT-
35 GAGES AND THE PROCEEDS FROM THE ISSUANCE OF SUCH OBLIGATIONS, LESS LEGAL
36 AND OTHER FEES, COSTS AND EXPENSES AND OTHER AMOUNTS PAID OR INCURRED BY
37 THE CORPORATION, INCLUDING DISCOUNTS, COSTS INCURRED BY THE CORPORATION
38 RELATED TO THE SALE OF SUCH MORTGAGES OR TO A SALE, IF ANY, OF ITS OBLI-
39 GATIONS, FEES PAYABLE TO OTHER GOVERNMENTAL UNITS, THE COST INCURRED BY
40 THE CORPORATION UNDER AN AGREEMENT WITH THE FEDERAL GOVERNMENT PURSUANT
41 TO SUBDIVISION TWENTY-SEVEN OF THIS SECTION, AMOUNTS REQUIRED TO ESTAB-
42 LISH ESCROW ACCOUNTS OR RESERVES FOR THE ISSUANCE OF MORTGAGE INSURANCE,
43 THE COST OF SATISFYING SUCH MINIMUM PROPERTY STANDARDS OR OF INSTALLING
44 SUCH LIFE SAFETY DEVICES AS MAY BE REQUIRED BY THE FEDERAL GOVERNMENT
45 WHICH STANDARDS OR DEVICES ARE IN ADDITION TO ANY REQUIREMENT IMPOSED BY
46 THE CITY AS MORTGAGEE, AMOUNTS LOANED TO THE MORTGAGOR TO ESTABLISH SUCH
47 ESCROW ACCOUNTS OR RESERVES OR TO SATISFY SUCH MINIMUM PROPERTY STAND-
48 ARDS OR TO INSTALL SUCH LIFE SAFETY DEVICES, CLOSING AND OTHER COSTS
49 RELATED TO OBTAINING MORTGAGE INSURANCE FROM THE FEDERAL GOVERNMENT SUCH
50 OTHER COSTS AS THE FEDERAL GOVERNMENT MAY FROM TIME TO TIME IMPOSE, ANY
51 AMOUNTS NOT PREVIOUSLY ADVANCED UNDER MORTGAGES MODIFIED OR SATISFIED
52 UNDER THIS SUBDIVISION AS DETERMINED BY THE SUPERVISING AGENCY, AND AN
53 AMOUNT NOT TO EXCEED TWENTY MILLION DOLLARS AT ANY ONE TIME, WHICH SHALL
54 BE HELD IN A REVOLVING ACCOUNT FOR A PERIOD NOT TO EXCEED EIGHTEEN
55 MONTHS FROM THE TIME OF THE FIRST DEPOSIT THEREIN, TO PAY ANY OR ALL OF
56 THE COSTS, FEES AND EXPENSES AND OTHER AMOUNTS ATTRIBUTABLE TO ISSUING

1 OBLIGATIONS SECURED BY SUCH MORTGAGE OR MORTGAGES, OR TO MAKING AND
2 INSURING MORTGAGES PURSUANT TO THIS SUBDIVISION, AND ANY BALANCE REMAIN-
3 ING IN SUCH REVOLVING ACCOUNT SHALL BE PAID TO THE CITY NO LATER THAN
4 EIGHTEEN MONTHS AFTER THE TIME OF THE FIRST DEPOSIT THEREIN, AND (B) TO
5 ASSIGN OR REASSIGN ANY SUCH MORTGAGE OR MORTGAGES, INSTRUMENTS AND
6 RELATED CONTRACT OR ARRANGEMENT TO THE CITY. IF THE CORPORATION SELLS
7 ANY SUCH MORTGAGES FOR AN AMOUNT IN EXCESS OF THE PRINCIPAL AMOUNT THER-
8 EOF AT THE TIME OF SUCH SALE, OR IF THE CORPORATION ISSUES OBLIGATIONS
9 SECURED BY ANY SUCH MORTGAGES AND THE YIELD ON SUCH MORTGAGES IS GREATER
10 THAN THE YIELD ON SUCH OBLIGATIONS (THE YIELD ON SUCH MORTGAGES AND
11 OBLIGATIONS HAVING BEEN CALCULATED IN ACCORDANCE WITH SECTION ONE
12 HUNDRED THREE OF THE INTERNAL REVENUE CODE OF THE UNITED STATES AND
13 REGULATIONS THEREUNDER), THE CORPORATION SHALL PAY TO THE CITY SUCH
14 PREMIUM AND ANY SUCH DIFFERENTIAL, BUT ONLY TO THE EXTENT SUCH DIFFEREN-
15 TIAL IS NOT PAID TO OR FOR THE BENEFIT OF THE HOLDERS OF SUCH OBLI-
16 GATIONS; AND SUCH PREMIUM AND DIFFERENTIAL, TO THE EXTENT SO PAID TO
17 SUCH CITY, SHALL BE USED AND CREDITED BY THE CITY IN ACCORDANCE WITH
18 SUBDIVISION FOUR-B OF SECTION TWENTY-THREE-A OF THIS CHAPTER AS IF SUCH
19 CITY HAD SOLD SUCH MORTGAGES OR ISSUED SUCH OBLIGATIONS PURSUANT TO
20 SECTION TWENTY-THREE-A OF THIS CHAPTER. THE CORPORATION SHALL NOT MODIFY
21 OR SATISFY A MORTGAGE PURSUANT TO THIS SUBDIVISION UNLESS SUCH MODIFICA-
22 TION OR SATISFACTION IS FIRST APPROVED BY THE SUPERVISING AGENCY;

23 27. TO CONTRACT WITH THE FEDERAL GOVERNMENT FOR THE SHARING OF ANY
24 CLAIM PAID BY THE FEDERAL GOVERNMENT ON ACCOUNT OF ANY INSURANCE OF A
25 MORTGAGE, PROVIDED THAT THE CORPORATION'S SHARE OF ANY SUCH CLAIM SHALL
26 NOT EXCEED FIFTY PERCENT OF THE INSURANCE BENEFITS PAID BY THE FEDERAL
27 GOVERNMENT, AND FURTHER PROVIDED THAT THE CORPORATION'S SHARE OF SUCH
28 CLAIMS UNDER ANY SUCH CONTRACT SHALL NOT EXCEED FIVE PERCENT OF THE
29 OUTSTANDING PRINCIPAL AMOUNT OF ALL MORTGAGE LOANS OF THE CORPORATION
30 INSURED BY THE FEDERAL GOVERNMENT AND INCLUDED WITHIN SUCH CONTRACT;

31 28. TO MAKE LOANS SECURED BY MORTGAGES INSURED OR COINSURED BY THE
32 FEDERAL GOVERNMENT TO THE OWNERS OF MULTIPLE DWELLINGS IN SUCH AMOUNTS
33 AS MAY BE REQUIRED FOR THE REHABILITATION OF SUCH MULTIPLE DWELLINGS OR,
34 IF SUCH OWNER ACQUIRES THE MULTIPLE DWELLING FOR THE PURPOSE OF SUCH
35 REHABILITATION OR OWNS THE MULTIPLE DWELLING SUBJECT TO AN OUTSTANDING
36 INDEBTEDNESS, IN SUCH AMOUNTS AS MAY BE REQUIRED FOR THE COST OF SUCH
37 ACQUISITION OR FOR THE REFINANCING OF SUCH OUTSTANDING INDEBTEDNESS, BUT
38 IN NO EVENT IN SUCH AMOUNTS AS WOULD EXCEED THE MORTGAGE LIMITS IMPOSED
39 BY THE FEDERAL GOVERNMENT, AND TO REGULATE OR RESTRICT SUCH OWNER AS TO
40 RENTS OR SALES, CHARGES, CAPITAL STRUCTURE, RATE OF RETURN AND METHOD OF
41 OPERATION AND TO MAKE LOANS SECURED BY MORTGAGES INSURED OR COINSURED BY
42 THE FEDERAL GOVERNMENT TO THE OWNERS OF PROJECTS IN SUCH AMOUNTS AS MAY
43 BE REQUIRED FOR THE ACQUISITION, CONSTRUCTION OR IMPROVEMENT OF SUCH
44 PROJECTS, BUT IN NO EVENT IN SUCH AMOUNTS AS WOULD EXCEED THE MORTGAGE
45 LIMITS IMPOSED BY THE FEDERAL GOVERNMENT, OR NINETY PERCENT OF THE ACTU-
46 AL COST OF SUCH ACQUISITION, CONSTRUCTION OR IMPROVEMENT, WHICHEVER IS
47 LESS, AND TO REGULATE OR RESTRICT SUCH OWNER AS TO RENTS OR SALES,
48 CHARGES, CAPITAL STRUCTURE, RATE OF RETURN AND METHOD OF OPERATION. THE
49 OWNER MAY, WITH THE APPROVAL OF THE CORPORATION, FIX MAXIMUM RENTALS TO
50 BE CHARGED TENANTS OF THE DWELLINGS IN ANY MULTIPLE DWELLING OR PROJECT
51 AIDED BY A LOAN PURSUANT TO THIS SUBDIVISION. THE CORPORATION, UPON ITS
52 OWN MOTION, OR UPON APPLICATION BY THE OWNER OR BY THE FEDERAL GOVERN-
53 MENT, MAY VARY SUCH RENTAL RATE FROM TIME TO TIME SO AS TO SECURE,
54 TOGETHER WITH ALL OTHER INCOME OF THE MULTIPLE DWELLING, SUFFICIENT
55 INCOME FOR IT TO MEET WITHIN REASONABLE LIMITS ALL NECESSARY PAYMENTS TO
56 BE MADE BY THE OWNER OF ALL EXPENSES; PROVIDED THAT NO VARIATION IN A

1 RENTAL RATE SHALL BE EFFECTIVE UNLESS APPROVED BY THE FEDERAL GOVERN-
2 MENT. THE CORPORATION OR THE DIVISION OF RESIDENTIAL DEVELOPMENT SHALL
3 NOTIFY OCCUPANTS OF THE MULTIPLE DWELLING, IF THERE BE ANY, OF THE
4 CONTEMPLATED REHABILITATION AND SHALL ADVISE THEM OF THE EXPECTED RENTAL
5 INCREASE TO RESULT THEREFROM, AND A REPRESENTATIVE OF THE CORPORATION OR
6 THE DIVISION OF RESIDENTIAL DEVELOPMENT SHALL MEET OR OFFER TO MEET AT
7 LEAST ONCE WITH THE OCCUPANTS. THE CORPORATION SHALL PROMULGATE SUCH
8 RULES AND REGULATIONS WITH RESPECT TO MULTIPLE DWELLINGS AND PROJECTS
9 FINANCED PURSUANT TO THIS SUBDIVISION AND THE OWNERS OF SUCH MULTIPLE
10 DWELLINGS AND PROJECTS AS MAY BE NECESSARY TO CARRY OUT THE PROVISIONS
11 OF THIS SUBDIVISION, PROVIDED THAT SUCH RULES AND REGULATIONS SHALL
12 CONTAIN PROVISIONS AS TO INCOME LIMITATIONS RELATING TO ADMISSION INTO
13 OCCUPANCY OF THE DWELLING UNITS OF SUCH PROJECTS TO THE SAME EFFECT AS
14 ARE CONTAINED IN SECTION THIRTY-ONE OF THIS CHAPTER AND FOR THE DWELLING
15 UNITS OF SUCH OTHER MULTIPLE DWELLINGS TO THE SAME EFFECT AS ARE
16 CONTAINED IN SUBDIVISION THREE OF SECTION FOUR HUNDRED ONE OF THIS CHAP-
17 TER. AS USED IN THIS SUBDIVISION, THE TERM "MULTIPLE DWELLING" SHALL
18 INCLUDE AN EXISTING BUILDING OR STRUCTURE WHICH IS TO BE CONVERTED INTO
19 A CLASS A MULTIPLE DWELLING;

20 29. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
21 BONDHOLDERS, (A) TO MAKE AND CONTRACT FOR THE MAKING OF MORTGAGE LOANS
22 FOR THE CONSTRUCTION OR REHABILITATION OF PROJECTS WHICH THE BUFFALO
23 CITY HOUSING AUTHORITY HAS AGREED TO PURCHASE ON A TURNKEY BASIS IN
24 ACCORDANCE WITH A FEDERALLY ASSISTED PROGRAM FOR THE PRODUCTION OF
25 PUBLIC HOUSING AS AUTHORIZED BY THE UNITED STATES HOUSING ACT OF NINE-
26 TEEN HUNDRED THIRTY-SEVEN, UPON THE COMPLETION OF SUCH CONSTRUCTION OR
27 REHABILITATION, AND (B) TO MAKE AND TO CONTRACT FOR THE MAKING OF LOANS
28 TO, OR TO PURCHASE LOANS FROM, BANKING OR OTHER LENDING INSTITUTIONS FOR
29 THE PURPOSE OF FINANCING SUCH CONSTRUCTION OR REHABILITATION;

30 30. IN ORDER TO INCREASE THE AVAILABILITY OF SAFE AND SANITARY DWELL-
31 ING ACCOMMODATIONS WITHIN THE FINANCIAL REACH OF FAMILIES AND PERSONS OF
32 LOW INCOME, TO ACQUIRE AND TO CONTRACT TO ACQUIRE, BY ASSIGNMENT OR
33 OTHERWISE, OR TO TAKE AS COLLATERAL SECURITY, ANY FEDERALLY GUARANTEED
34 SECURITY EVIDENCING INDEBTEDNESS ON A MORTGAGE SECURING A LOAN, INCLUD-
35 ING ANY CONSTRUCTION LOAN, AND THE RECEIPTS TO BE DERIVED THEREFROM AND
36 TO ASSIGN OR REASSIGN AND TO CONTRACT TO ASSIGN OR REASSIGN ANY SUCH
37 SECURITY AND THE RECEIPTS TO BE DERIVED THEREFROM, SUBJECT IN EACH CASE,
38 TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND BONDHOLDERS;

39 31. TO AND SHALL DEVELOP, PROMOTE AND ENSURE THAT, WHERE POSSIBLE,
40 MINORITY GROUPS WHICH TRADITIONALLY HAVE BEEN DISADVANTAGED, AND WOMEN
41 ARE AFFORDED EQUAL OPPORTUNITY FOR CONTRACTS IN CONNECTION WITH DEVELOP-
42 MENT AND CONSTRUCTION CONTRACTS FOR DEVELOPMENTS, FACILITIES AND
43 PROJECTS FINANCED BY THE ISSUANCE OF BONDS, NOTES AND OTHER OBLIGATIONS
44 OF THE CORPORATION;

45 32. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
46 BONDHOLDERS, TO REFINANCE OR ACQUIRE MORTGAGE LOANS MADE FOR MULTIPLE
47 DWELLINGS BY PRIVATE LENDERS PURSUANT TO ARTICLE EIGHT-A OR ARTICLE
48 FIFTEEN OF THIS CHAPTER; PROVIDED THAT THE CORPORATION SHALL NOT BE
49 PERMITTED PURSUANT TO THIS SUBDIVISION TO ACQUIRE A MORTGAGE LOAN,
50 UNLESS SUCH ACQUISITION IS IN CONNECTION WITH A REFINANCING OF THE PROP-
51 erty for which such mortgage loan was made;

52 33. TO SERVICE MORTGAGE LOANS MADE BY PRIVATE OR GOVERNMENTAL LENDERS
53 FOR MULTIPLE DWELLINGS, PROVIDED THAT EACH SUCH MORTGAGE LOAN SHALL HAVE
54 BEEN MADE EITHER (A) PURSUANT TO THIS CHAPTER, OR (B) IN CONJUNCTION
55 WITH ANOTHER MORTGAGE LOAN MADE BY THE CITY;

1 34. TO CONTRACT WITH ANY OF ITS SUBSIDIARY CORPORATIONS TO RENDER SUCH
2 SERVICES AS SUCH SUBSIDIARY CORPORATION MAY REQUEST, INCLUDING, BUT NOT
3 LIMITED TO, THE USE OF THE PREMISES, PERSONNEL AND PERSONAL PROPERTY OF
4 THE CORPORATION, AND TO PROVIDE FOR REIMBURSEMENT TO THE CORPORATION
5 FROM SUCH SUBSIDIARY CORPORATION FOR ANY EXPENSES NECESSARILY INCURRED
6 BY THE CORPORATION IN CARRYING OUT THE TERMS OF ANY SUCH CONTRACT; AND

7 35. TO DO ANY AND ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT ITS
8 PURPOSES AND EXERCISE THE POWERS EXPRESSLY GIVEN AND GRANTED IN THIS
9 ARTICLE.

10 S 705. SUBSIDIARIES; HOW CREATED. 1. THE CORPORATION BY RESOLUTION MAY
11 DIRECT ANY OF ITS MEMBERS, OFFICERS OR EMPLOYEES TO ORGANIZE A SUBSID-
12 IARY CORPORATION WHENEVER, IN THE SOLE DISCRETION OF THE CORPORATION, IT
13 HAS BECOME NECESSARY TO ACQUIRE A PROJECT IN THE CASE OF SALE UNDER
14 FORECLOSURE OR IN LIEU OF FORECLOSURE AND IT IS BENEFICIAL TO EFFECTUATE
15 THE PURPOSE OF THIS CHAPTER FOR THE SUBSIDIARY TO HOLD TITLE TO THE
16 PROJECT.

17 2. EACH SUCH SUBSIDIARY CORPORATION SHALL BE WHOLLY OWNED BY THE
18 CORPORATION AND SHALL BE ORGANIZED PURSUANT TO THE BUSINESS CORPORATION
19 LAW, THE NOT-FOR-PROFIT CORPORATION LAW OR ARTICLE TWO OR ARTICLE ELEVEN
20 OF THIS CHAPTER.

21 3. THE CORPORATION MAY TRANSFER TO ANY SUBSIDIARY CORPORATION ANY
22 MONEY, REAL OR PERSONAL OR MIXED PROPERTY OR MAY CONVEY TO IT ANY
23 PROJECT IN ORDER TO CARRY OUT THE PURPOSES OF THIS ARTICLE. EACH SUCH
24 SUBSIDIARY CORPORATION SHALL HAVE ALL THE PRIVILEGES, IMMUNITIES, TAX
25 EXEMPTIONS AND OTHER EXEMPTIONS OF THE CORPORATION TO THE EXTENT THE
26 SAME ARE NOT INCONSISTENT WITH THE STATUTE OR STATUTES PURSUANT TO WHICH
27 SUCH SUBSIDIARY WAS INCORPORATED. EXCEPT AS MAY BE INCONSISTENT WITH THE
28 PROVISIONS OF THIS ARTICLE, SUCH SUBSIDIARY, IF ORGANIZED PURSUANT TO
29 ARTICLE TWO OR ARTICLE ELEVEN OF THIS CHAPTER, SHALL HAVE ALL THE RIGHTS
30 AND POWERS GRANTED TO HOUSING COMPANIES BY THIS CHAPTER AND BY ANY OTHER
31 STATUTE PURSUANT TO WHICH SUCH SUBSIDIARY CORPORATION WAS ORGANIZED.

32 4. NO MEMBER OR OFFICER OF THE CORPORATION SHALL RECEIVE ANY ADDI-
33 TIONAL COMPENSATION, EITHER DIRECT OR INDIRECT, OTHER THAN REIMBURSEMENT
34 FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF SUCH
35 PERSON'S DUTIES, BY REASON OF SUCH PERSON'S SERVING AS A MEMBER, DIREC-
36 TOR, TRUSTEE OR OFFICER OF ANY SUBSIDIARY CORPORATION.

37 S 706. HOUSING ASSISTANCE CORPORATION. 1. THERE IS HEREBY ESTABLISHED
38 A PUBLIC BENEFIT CORPORATION KNOWN AS THE "HOUSING ASSISTANCE CORPO-
39 RATION" AS A SUBSIDIARY CORPORATION OF THE CORPORATION.

40 2. SUCH SUBSIDIARY CORPORATION MAY (A) RECEIVE MONIES FROM THE CORPO-
41 RATION, THE STATE, ANY PUBLIC BENEFIT CORPORATION, THE CITY, THE FEDERAL
42 GOVERNMENT OR ANY OTHER SOURCE FOR THE PURPOSE OF ASSISTING RENTAL
43 DEVELOPMENTS TO MAINTAIN RENTALS AFFORDABLE TO LOW AND MODERATE INCOME
44 PERSONS FOR WHOM THE ORDINARY OPERATION OF PRIVATE ENTERPRISE CANNOT
45 SUPPLY SAFE, SANITARY AND AFFORDABLE HOUSING ACCOMMODATIONS, (B) TRANS-
46 FER, LEND, PLEDGE OR ASSIGN MONIES (I) TO ANY RENTAL DEVELOPMENT IN
47 ORDER TO ASSIST SUCH DEVELOPMENT IN MAINTAINING RENTS AFFORDABLE TO SUCH
48 LOW AND MODERATE INCOME TENANTS OR (II) IN ORDER TO ASSIST THE CORPO-
49 RATION IN FINANCING SUCH DEVELOPMENTS, AND (C) ENTER INTO SUCH AGREE-
50 MENTS WITH THE OWNERS OF SUCH DEVELOPMENTS AS IT MAY DEEM APPROPRIATE TO
51 FURTHER THE OBJECTIVES OF THIS ARTICLE. SUCH SUBSIDIARY CORPORATION
52 SHALL HAVE ALL THE PRIVILEGES, IMMUNITIES, TAX EXEMPTIONS AND OTHER
53 EXEMPTIONS OF THE CORPORATION TO THE EXTENT THE SAME ARE NOT INCONSIST-
54 ENT WITH THIS ARTICLE.

55 3. THE MEMBERSHIP OF SUCH SUBSIDIARY CORPORATION SHALL CONSIST OF THE
56 DIRECTOR OF THE DIVISION OF RESIDENTIAL DEVELOPMENT, WHO SHALL SERVE AS

1 CHAIRPERSON, AND TWO PUBLIC MEMBERS APPOINTED BY AND WHO SERVE AT THE
2 PLEASURE OF THE MAYOR. THE POWERS OF THE SUBSIDIARY CORPORATION SHALL
3 BE VESTED IN AND EXERCISED BY NO LESS THAN TWO OF THE MEMBERS THERETO
4 THEN IN OFFICE. THE SUBSIDIARY CORPORATION MAY DELEGATE TO ONE OR MORE
5 OF ITS MEMBERS, OR ITS OFFICERS, AGENTS AND EMPLOYEES, SUCH DUTIES AND
6 POWERS AS IT MAY DEEM PROPER.

7 4. NO OFFICER OR MEMBER OF THE CORPORATION SHALL RECEIVE ANY ADDI-
8 TIONAL COMPENSATION, EITHER DIRECT OR INDIRECT, OTHER THAN REIMBURSEMENT
9 FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF SUCH
10 PERSON'S DUTIES, BY REASON OF SUCH PERSON'S SERVING AS A MEMBER OR OFFI-
11 CER OF SUCH SUBSIDIARY CORPORATION.

12 5. THE CORPORATION MAY TRANSFER TO SUCH SUBSIDIARY CORPORATION ANY
13 REAL, PERSONAL OR MIXED PROPERTY IN ORDER TO CARRY OUT THE PURPOSES OF
14 THIS SECTION.

15 6. THE SUBSIDIARY CORPORATION SHALL HAVE THE POWER TO:

16 (A) SUE AND BE SUED;

17 (B) HAVE A SEAL AND ALTER THE SAME AT PLEASURE;

18 (C) MAKE AND ALTER BY-LAWS FOR ITS ORGANIZATION AND INTERNAL MANAGE-
19 MENT AND MAKE RULES AND REGULATIONS GOVERNING THE USE OF ITS PROPERTY
20 AND FACILITIES;

21 (D) MAKE AND EXECUTE CONTRACTS AND ALL OTHER INSTRUMENTS NECESSARY OR
22 CONVENIENT FOR THE EXERCISE OF ITS POWERS AND FUNCTIONS UNDER THIS
23 SECTION;

24 (E) ACQUIRE, HOLD AND DISPOSE OF REAL OR PERSONAL PROPERTY FOR ITS
25 CORPORATE PURPOSES;

26 (F) ENGAGE THE SERVICES OF PRIVATE CONSULTANTS ON A CONTRACT BASIS FOR
27 RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE;

28 (G) PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS ACTIV-
29 ITIES, PROPERTIES AND OTHER ASSETS IN SUCH AMOUNT AND FROM SUCH INSURERS
30 AS IT DEEMS DESIRABLE;

31 (H) APPOINT OFFICERS, AGENTS AND EMPLOYEES, PRESCRIBE THEIR DUTIES AND
32 QUALIFICATIONS AND FIX THEIR COMPENSATION SUBJECT TO THE PROVISIONS OF
33 THE CIVIL SERVICE LAW AND THE RULES OF THE CIVIL SERVICE COMMISSION OF
34 THE CITY;

35 (I) INVEST ANY FUNDS, OR OTHER MONIES UNDER ITS CUSTODY AND CONTROL IN
36 THE SAME MANNER AS THE CORPORATION; AND

37 (J) TO DO ANY AND ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT ITS
38 PURPOSES AND EXERCISE THE POWERS EXPRESSLY GIVEN AND GRANTED IN THIS
39 SECTION.

40 7. THE SUBSIDIARY CORPORATION AND ITS CORPORATE EXISTENCE SHALL
41 CONTINUE UNTIL TERMINATED BY LAW. UPON TERMINATION OF THE EXISTENCE OF
42 THE SUBSIDIARY CORPORATION ALL OF ITS RIGHTS AND PROPERTIES SHALL PASS
43 TO AND BE VESTED IN THE CITY. NO SUCH TERMINATION SHALL TAKE EFFECT AS
44 LONG AS OBLIGATIONS OF THE SUBSIDIARY CORPORATION REMAIN OUTSTANDING.

45 8. THE CITY AND THE CORPORATION SHALL HAVE THE POWER TO TRANSFER TO
46 SUCH SUBSIDIARY CORPORATION AGENTS, EMPLOYEES AND FACILITIES OF THE CITY
47 OR CORPORATION TO ENABLE IT TO FULFILL THE PURPOSES OF THIS SECTION.

48 S 707. RESIDENTIAL MORTGAGE INSURANCE CORPORATION. 1. DEFINITIONS. AS
49 USED IN THIS SECTION, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE
50 FOLLOWING MEANINGS UNLESS THE CONTEXT SHALL INDICATE ANOTHER OR DIFFER-
51 ENT MEANING OR INTENT:

52 (A) "CASH EQUIVALENT". A LETTER OF CREDIT, INSURANCE POLICY, SURETY,
53 GUARANTEE, INDEMNITY OR OTHER SECURITY ARRANGEMENT.

54 (B) "FINANCIAL INSTITUTION". (I) ANY BANK, TRUST COMPANY, NATIONAL
55 BANK, STATE OR FEDERAL SAVINGS BANK, STATE OR FEDERAL SAVINGS AND LOAN
56 ASSOCIATION, OR STATE OR FEDERAL CREDIT UNION, INSURANCE COMPANY,

1 PENSION FUND OR RETIREMENT SYSTEM OF ANY CORPORATION, ASSOCIATION, ANY
2 OTHER ENTITY WHICH IS OWNED OR CONTROLLED BY ANY ONE OR MORE OF THE
3 ABOVE, PROVIDED SUCH BANK, TRUST COMPANY, NATIONAL BANK, STATE OR FEDER-
4 AL SAVINGS BANK, STATE OR FEDERAL SAVINGS AND LOAN ASSOCIATION, OR STATE
5 OR FEDERAL CREDIT UNION, INSURANCE COMPANY, PENSION FUND OR RETIREMENT
6 SYSTEM OF ANY CORPORATION OR ASSOCIATION, AND, IF AN ENTITY WHICH IS
7 OWNED BY ONE OR MORE OF THE ABOVE, SUCH ENTITY, IS SUPERVISED BY OR
8 RESPONSIBLE TO ANY AGENCY OF THE FEDERAL GOVERNMENT, THE STATE, ANY
9 DEPARTMENT THEREOF OR THE GOVERNING BODY OF ANY CITY, TOWN OR VILLAGE OF
10 THE STATE, OR (II) ANY OTHER ENTITY APPROVED BY THE SUBSIDIARY CORPO-
11 RATION, OR (III) ANY ONE OR MORE OF THE ABOVE WHEN LAWFULLY ACTING AS A
12 TRUSTEE OR OTHERWISE IN A FIDUCIARY CAPACITY. THE TERM "FINANCIAL INSTI-
13 TUTION" SHALL ALSO INCLUDE THE NEW YORK STATE HOUSING FINANCE AGENCY,
14 THE NEW YORK STATE MEDICAL CARE FACILITIES FINANCE AGENCY, THE STATE OF
15 NEW YORK MORTGAGE AGENCY, THE NEW YORK STATE URBAN DEVELOPMENT CORPO-
16 RATION, THE CORPORATION, THE COMMUNITY PRESERVATION CORPORATION, ANY
17 GOVERNMENTAL AGENCY OF THE UNITED STATES WHICH CUSTOMARILY MAKES,
18 PURCHASES OR HOLDS RESIDENTIAL MORTGAGES AND ANY PERSON WHO IS APPROVED
19 AS A MORTGAGE LENDER BY THE FEDERAL HOUSING ADMINISTRATION FOR PURPOSES
20 OF INSURANCE ISSUED BY SUCH ADMINISTRATION OR LICENSED BY THE STATE OF
21 NEW YORK AS A MORTGAGE BANKER.

22 (C) "HOUSING ACCOMMODATION". ANY EXISTING BUILDING, STRUCTURE, UNIT
23 THEREOF (INCLUDING AN OWNER-OCCUPIED UNIT IN A CONDOMINIUM AND A
24 LESSEE-OCCUPIED DWELLING UNIT IN WHICH THE LESSEE RETAINS A PROPRIETARY
25 LEASE WITH RESPECT TO SUCH DWELLING UNIT AND HAS AN ALLOCABLE OWNERSHIP
26 INTEREST IN A COOPERATIVE HOUSING CORPORATION) OR UNIMPROVED REAL PROP-
27 ERTY, WHICH IS USED OR OCCUPIED, OR IS INTENDED TO BE USED OR OCCUPIED
28 AS THE HOME OR RESIDENCE OF ONE OR MORE PERSONS, A PORTION OF WHICH MAY
29 ALSO BE USED FOR COMMERCIAL AND OTHER COMMUNITY FACILITIES ANCILLARY TO
30 SUCH RESIDENCE PROVIDED THAT, IN THE CASE OF ANY HOUSING ACCOMMODATION
31 CONSISTING OF MORE THAN SIX DWELLING UNITS, THE FLOOR AREA OF
32 ABOVE-GROUND COMMERCIAL FACILITIES SHALL NOT EXCEED ONE-QUARTER OF THE
33 ABOVE-GROUND FLOOR AREA OF SUCH HOUSING ACCOMMODATION (INCLUSIVE OF SUCH
34 COMMERCIAL FACILITIES).

35 (D) "HOUSING INSURANCE CONTRACTS". ALL CONTRACTS ENTERED INTO BY THE
36 SUBSIDIARY CORPORATION TO INSURE MORTGAGES PURSUANT TO THIS SECTION.

37 (E) "HOUSING INSURANCE FUND". THE HOUSING INSURANCE FUND AS ESTAB-
38 LISHED PURSUANT TO SUBDIVISION TWELVE OF THIS SECTION.

39 (F) "HOUSING INSURANCE FUND REQUIREMENT". AS OF ANY PARTICULAR DATE OF
40 COMPUTATION, AN AMOUNT EQUAL TO THE AGGREGATE OF (I) ONE HUNDRED PER
41 CENTUM OF THE INSURED AMOUNTS DUE AND PAYABLE BY THE SUBSIDIARY CORPO-
42 RATION PURSUANT TO HOUSING INSURANCE CONTRACTS, PLUS (II) TWENTY PER
43 CENTUM OF THE INSURED AMOUNTS UNDER HOUSING INSURANCE CONTRACTS OTHER
44 THAN INSURED AMOUNTS WHICH ARE DUE AND PAYABLE PURSUANT TO SUBPARAGRAPH
45 (I) OF THIS PARAGRAPH, PLUS (III) TWENTY PER CENTUM OF THE AMOUNTS TO BE
46 INSURED UNDER HOUSING INSURANCE CONTRACTS PURSUANT TO THE SUBSIDIARY
47 CORPORATION'S COMMITMENTS TO INSURE.

48 (G) "MORTGAGE". A FIRST MORTGAGE ON REAL PROPERTY LOCATED WITHIN THE
49 CITY SECURING A PRESERVATION LOAN OR A REHABILITATION LOAN, WITH A TERM
50 NOT TO EXCEED FORTY YEARS, ON REAL ESTATE, HELD IN FEE SIMPLE OR ON A
51 LEASEHOLD UNDER A LEASE HAVING A PERIOD OF YEARS TO RUN AT THE TIME A
52 MORTGAGE IS INSURED UNDER THIS SECTION OF AT LEAST TWENTY PER CENTUM
53 GREATER DURATION THAN THE REMAINING TERM OF SUCH MORTGAGE; THE TERM
54 "FIRST MORTGAGE" MEANS SUCH FIRST LIENS AS ARE COMMONLY GIVEN TO SECURE
55 ADVANCES ON, OR THE UNPAID PURCHASE PRICE OF, REAL ESTATE UNDER THE LAWS

1 OF THE STATE, TOGETHER WITH THE CREDIT INSTRUMENTS, IF ANY, SECURED
2 THEREBY.

3 (H) "MORTGAGE INSURANCE CONTRACTS". ALL CONTRACTS TO INSURE MORTGAGES
4 ENTERED INTO.

5 (I) "MORTGAGE INSURANCE FUND". THE MORTGAGE INSURANCE FUND AS ESTAB-
6 LISHED PURSUANT TO SUBDIVISION TWELVE OF THIS SECTION.

7 (J) "MORTGAGE INSURANCE FUND REQUIREMENT". AS OF ANY PARTICULAR DATE
8 OF COMPUTATION, AN AMOUNT EQUAL TO THE AGGREGATE OF (I) ONE HUNDRED PER
9 CENTUM OF THE INSURED AMOUNTS DUE AND PAYABLE BY THE SUBSIDIARY CORPO-
10 RATION PURSUANT TO MORTGAGE INSURANCE CONTRACTS, PLUS (II) AN AMOUNT
11 EQUAL TO THE GREATER OF (A) SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
12 OR (B) TWENTY PER CENTUM OF THE INSURED AMOUNTS UNDER MORTGAGE INSURANCE
13 CONTRACTS OTHER THAN INSURED AMOUNTS WHICH ARE DUE AND PAYABLE UNDER
14 SUBPARAGRAPH (I) OF THIS PARAGRAPH, PLUS (III) TWENTY PER CENTUM OF THE
15 AMOUNTS TO BE INSURED UNDER THE PREDECESSOR CORPORATION'S COMMITMENTS TO
16 INSURE; PROVIDED, HOWEVER, THAT NOTWITHSTANDING THE FOREGOING, AT NO
17 TIME SHALL THE MORTGAGE INSURANCE FUND REQUIREMENT EXCEED THE AGGREGATE
18 OF (A) INSURED AMOUNTS DUE AND PAYABLE BY THE SUBSIDIARY CORPORATION
19 PURSUANT TO MORTGAGE INSURANCE CONTRACTS, PLUS (B) ONE HUNDRED PER
20 CENTUM OF THE INSURED AMOUNTS UNDER MORTGAGE INSURANCE CONTRACTS OTHER
21 THAN INSURED AMOUNTS WHICH ARE DUE AND PAYABLE UNDER CLAUSE (A) OF THIS
22 SUBPARAGRAPH.

23 (K) "MORTGAGEE". THE MORTGAGE LENDER UNDER A MORTGAGE INSURED BY THE
24 PREDECESSOR CORPORATION OR INSURED PURSUANT TO SUBDIVISION TEN OF THIS
25 SECTION, AND ITS SUCCESSORS AND ASSIGNS.

26 (L) "MORTGAGE LOAN". A MORTGAGE LOAN SECURED BY A MORTGAGE.

27 (M) "MORTGAGOR". THE ORIGINAL BORROWER UNDER A MORTGAGE LOAN INSURED
28 BY THE PREDECESSOR CORPORATION OR INSURED PURSUANT TO SUBDIVISION TEN OF
29 THIS SECTION, AND ITS SUCCESSORS AND ASSIGNS.

30 (N) "MULTI-FAMILY HOUSING ACCOMMODATION". A HOUSING ACCOMMODATION WITH
31 FIVE OR MORE DWELLING UNITS.

32 (O) "OPERATING EXPENSES". ALL COSTS OF ADMINISTERING THE SUBSIDIARY
33 CORPORATION, INCLUDING, BUT NOT LIMITED TO, SALARIES AND WAGES, EXPENSES
34 OF ADMINISTERING STAFF FUNCTIONS, FEES OF PROFESSIONAL CONSULTANTS,
35 LEGAL FEES, CHARGES INCURRED FOR SERVICING OF MORTGAGE LOANS, MONEY
36 MANAGEMENT FEES, OFFICE RENTS, UTILITY CHARGES, COSTS OF SUPPLIES,
37 FURNISHINGS, EQUIPMENT, MACHINERY AND APPARATUS, MAINTENANCE AND REPAIR
38 OF PROPERTY, PAYMENT TO THE CORPORATION FOR SERVICES RENDERED, AMOUNTS
39 DUE AND OWING UNDER CONTRACTS VALIDLY ENTERED INTO BY THE PREDECESSOR
40 CORPORATION OR THE SUBSIDIARY CORPORATION, OTHER THAN MORTGAGE INSURANCE
41 CONTRACTS AND HOUSING INSURANCE CONTRACTS, RESPECTIVELY, AND OTHER
42 EXPENSES INCURRED IN CONNECTION WITH ANY OF THE FOREGOING.

43 (P) "OTHER REAL PROPERTY". ANY BUILDING, STRUCTURE OR UNIMPROVED PROP-
44 erty WHICH IS USED OR OCCUPIED, OR IS INTENDED TO BE USED OR OCCUPIED,
45 PRIMARILY FOR EMERGENCY, TRANSITIONAL OR SHELTER HOUSING, A PORTION OF
46 WHICH MAY ALSO BE USED FOR COMMERCIAL AND OTHER COMMUNITY FACILITIES
47 ANCILLARY TO SUCH USE PROVIDED THAT, THE FLOOR AREA OF ABOVE-GROUND
48 COMMERCIAL FACILITIES SHALL NOT EXCEED ONE-QUARTER OF THE ABOVE-GROUND
49 FLOOR AREA OF SUCH OTHER REAL PROPERTY (INCLUSIVE OF SUCH COMMERCIAL
50 FACILITIES).

51 (Q) "PRESERVATION LOAN". A MORTGAGE LOAN EXTENDED BY A FINANCIAL
52 INSTITUTION WITH A TERM NOT TO EXCEED FORTY YEARS FOR THE PURPOSES OF
53 REFINANCING EXISTING INDEBTEDNESS SECURED BY ONE OR MORE MORTGAGES ON A
54 HOUSING ACCOMMODATION OR OTHER REAL PROPERTY LOCATED WITHIN THE CITY
55 AND/OR FINANCING THE ACQUISITION OF A HOUSING ACCOMMODATION OR OTHER

1 REAL PROPERTY LOCATED WITHIN THE CITY AND WHICH OTHERWISE COMPLIES WITH
2 THE CONDITIONS ESTABLISHED PURSUANT TO SUBDIVISION TEN OF THIS SECTION.

3 (R) "REHABILITATION". REPAIRS, ALTERATIONS OR IMPROVEMENTS OF A HOUS-
4 ING ACCOMMODATION OR OTHER REAL PROPERTY DESIGNED TO RAISE THE HOUSING
5 STANDARDS THEREIN OR, IN THE CASE OF OTHER REAL PROPERTY, DESIGNED TO
6 PROVIDE NEEDED IMPROVEMENTS THEREIN. REHABILITATION SHALL ALSO INCLUDE
7 THE CONSTRUCTION OF A HOUSING ACCOMMODATION OR OTHER REAL PROPERTY.

8 (S) "REHABILITATION LOAN". A MORTGAGE LOAN EXTENDED BY A FINANCIAL
9 INSTITUTION WITH A TERM NOT TO EXCEED FORTY YEARS WHICH MAY INCLUDE THE
10 REFINANCING OF EXISTING INDEBTEDNESS, IF ANY, SECURED BY ONE OR MORE
11 MORTGAGES ON THE HOUSING ACCOMMODATION OR OTHER REAL PROPERTY TO BE
12 REHABILITATED, OR FINANCING THE ACQUISITION OF THE HOUSING ACCOMMODATION
13 OR OTHER REAL PROPERTY TO BE REHABILITATED, WHICH HOUSING ACCOMMODATION
14 OR OTHER REAL PROPERTY SHALL BE LOCATED WITHIN THE CITY AND WHICH OTHER-
15 WISE COMPLIES WITH THE CONDITIONS ESTABLISHED PURSUANT TO SUBDIVISION
16 TEN OF THIS SECTION, PROVIDED, HOWEVER, THAT A SUM EQUAL TO AT LEAST
17 TWENTY-FIVE PERCENT OF THE AMOUNT OF THE MORTGAGE LOAN SHALL BE USED FOR
18 THE COST OF REHABILITATION OF, OR CONSTRUCTION OF IMPROVEMENTS ON, A
19 HOUSING ACCOMMODATION OR OTHER REAL PROPERTY.

20 2. BUFFALO RESIDENTIAL MORTGAGE INSURANCE CORPORATION. THERE IS HEREBY
21 ESTABLISHED A PUBLIC BENEFIT CORPORATION KNOWN AS THE RESIDENTIAL MORT-
22 GAGE INSURANCE CORPORATION AS A SUBSIDIARY CORPORATION OF THE CORPO-
23 RATION. THE PURPOSE OF SUCH SUBSIDIARY CORPORATION SHALL BE TO INSURE
24 MORTGAGE LOANS IN ORDER TO PROMOTE THE PRESERVATION OF NEIGHBORHOODS
25 WHICH ARE BLIGHTED, ARE BECOMING BLIGHTED OR MAY BECOME BLIGHTED, TO
26 DISCOURAGE DISINVESTMENT AND ENCOURAGE THE INVESTMENT OF MORTGAGE CAPI-
27 TAL IN SUCH NEIGHBORHOODS AND TO PROVIDE SAFE, SANITARY AND AFFORDABLE
28 HOUSING ACCOMMODATIONS TO PERSONS AND FAMILIES FOR WHOM THE ORDINARY
29 OPERATIONS OF PRIVATE ENTERPRISE CANNOT SUPPLY SUCH ACCOMMODATIONS.

30 3. ASSISTANCE; PRIVILEGES. (A) THE SUBSIDIARY CORPORATION MAY RECEIVE
31 MONEYS FROM THE CORPORATION, THE STATE, ANY PUBLIC BENEFIT CORPORATION,
32 THE CITY, THE FEDERAL GOVERNMENT OR ANY OTHER SOURCE FOR PUBLIC PURPOSES
33 SET FORTH IN THIS SECTION.

34 (B) THE SUBSIDIARY CORPORATION MAY CONTRACT FOR AND ACCEPT ANY GIFTS
35 OR GRANTS OR LOANS OF FUNDS OR PROPERTY OR FINANCIAL OR OTHER AID IN ANY
36 FORM FROM THE FEDERAL GOVERNMENT OR ANY AGENCY OR INSTRUMENTALITY THERE-
37 OF, OR FROM THE STATE OR ANY AGENCY OR INSTRUMENTALITY THEREOF, INCLUD-
38 ING THE CITY AND THE CORPORATION, OR FROM ANY OTHER SOURCE, PUBLIC OR
39 PRIVATE, AND TO COMPLY, SUBJECT TO THE PROVISIONS OF THIS SECTION, WITH
40 THE TERMS AND CONDITIONS THEREOF.

41 (C) THE CITY AND THE CORPORATION ARE EACH HEREBY AUTHORIZED TO, BUT
42 NEITHER IS REQUIRED TO, MAKE GIFTS, GRANTS OR LOANS OF FUNDS OR PROPERTY
43 OR FINANCIAL OR OTHER AID IN ANY FORM TO THE SUBSIDIARY CORPORATION AND
44 TO ENTER INTO ANY CONTRACTS OR OTHER AGREEMENTS WITH THE SUBSIDIARY
45 CORPORATION, ON SUCH TERMS AND CONDITIONS AS THE CITY OR THE CORPO-
46 RATION, AS APPLICABLE, AND THE SUBSIDIARY CORPORATION MAY AGREE UPON,
47 ALL IN FURTHERANCE OF THE PUBLIC PURPOSES SET FORTH IN THIS SECTION.

48 (D) ALL DOMESTIC CORPORATIONS OR ASSOCIATIONS ORGANIZED FOR THE
49 PURPOSE OF CARRYING ON BUSINESS IN THIS STATE, PUBLIC BENEFIT CORPO-
50 RATIONS, PUBLIC EMPLOYEE PENSION FUNDS AND ANY OTHER PERSONS, CORPO-
51 RATIONS OR ASSOCIATIONS ARE HEREBY AUTHORIZED TO MAKE CONTRIBUTIONS TO
52 THE SUBSIDIARY CORPORATION.

53 (E) THE SUBSIDIARY CORPORATION SHALL HAVE ALL THE PRIVILEGES, IMMUNI-
54 TIES, TAX EXEMPTIONS AND OTHER EXEMPTIONS OF THE CORPORATION TO THE
55 EXTENT THE SAME ARE NOT INCONSISTENT WITH THIS SECTION.

1 4. MEMBERSHIP. THE MEMBERSHIP OF SUCH SUBSIDIARY CORPORATION SHALL
2 CONSIST OF NINE MEMBERS, SEVEN OF WHOM SHALL BE MEMBERS OF THE CORPO-
3 RATION AND TWO OF WHOM SHALL BE APPOINTED BY THE MAYOR. THE MEMBERS WHO
4 ARE NOT MEMBERS OF THE CORPORATION SHALL SERVE FOR TERMS ENDING TWO AND
5 FOUR YEARS RESPECTIVELY FROM JANUARY FIRST NEXT SUCCEEDING THE DATE OF
6 THEIR APPOINTMENT. THE SUCCESSORS OF THE MEMBERS WHO ARE NOT MEMBERS OF
7 THE CORPORATION SHALL SERVE FOR TERMS OF FOUR YEARS EACH. A MEMBER WHO
8 IS NOT A MEMBER OF THE CORPORATION SHALL CONTINUE IN OFFICE UNTIL HIS OR
9 HER SUCCESSOR HAS BEEN APPOINTED AND QUALIFIED. WITH RESPECT TO ANY
10 MEMBER WHO IS NOT A MEMBER OF THE CORPORATION, THE MAYOR SHALL FILL ANY
11 VACANCY WHICH MAY OCCUR BY REASON OF DEATH, RESIGNATION OR OTHERWISE FOR
12 THE REMAINING UNEXPIRED TERM OF SUCH MEMBER. A MEMBER WHO IS NOT A
13 MEMBER OF THE CORPORATION MAY BE REMOVED BY THE MAYOR FOR CAUSE, BUT NOT
14 WITHOUT AN OPPORTUNITY TO BE HEARD IN PERSON OR BY COUNSEL, IN SUCH
15 MEMBER'S DEFENSE, UPON NOT LESS THAN TEN DAYS' NOTICE. THE POWERS OF THE
16 SUBSIDIARY CORPORATION SHALL BE VESTED IN AND EXERCISED BY NO LESS THAN
17 FIVE OF THE MEMBERS THEREOF THEN IN OFFICE. THE SUBSIDIARY CORPORATION
18 MAY DELEGATE TO ONE OR MORE OF ITS MEMBERS, OR ITS OFFICERS, AGENTS AND
19 EMPLOYEES, SUCH DUTIES AND POWERS AS IT MAY DEEM PROPER. THE COMMISSION-
20 ER OF THE DIVISION OF RESIDENTIAL DEVELOPMENT SHALL SERVE AS CHAIRPERSON
21 OF THE SUBSIDIARY CORPORATION. THE PRESIDENT OF THE CORPORATION SHALL
22 SERVE AS PRESIDENT OF THE SUBSIDIARY CORPORATION.

23 5. COMPENSATION. NOTWITHSTANDING ANY INCONSISTENT PROVISIONS OF THIS
24 OR ANY OTHER GENERAL, SPECIAL OR LOCAL LAW, NO OFFICER OR EMPLOYEE OF
25 THE CORPORATION, THE CITY OR THE STATE, OR OF ANY PUBLIC CORPORATION, AS
26 DEFINED IN THE GENERAL CONSTRUCTION LAW, SHALL BE DEEMED TO HAVE
27 FORFEITED OR SHALL FORFEIT SUCH PERSON'S OFFICE OR EMPLOYMENT OR ANY
28 BENEFITS PROVIDED UNDER THE RETIREMENT AND SOCIAL SECURITY LAW OR UNDER
29 ANY PUBLIC RETIREMENT SYSTEM MAINTAINED BY THE STATE OR BY THE CIVIL
30 DIVISIONS THEREOF BY REASON OF SUCH PERSON'S ACCEPTANCE OF MEMBERSHIP ON
31 OR BY VIRTUE OF SUCH PERSON'S BEING AN OFFICER, EMPLOYEE OR AGENT OF THE
32 SUBSIDIARY CORPORATION. THE MEMBERS MAY ENGAGE IN PRIVATE EMPLOYMENT OR
33 IN A PROFESSION OR BUSINESS, UNLESS OTHERWISE PROHIBITED FROM DOING SO
34 BY VIRTUE OF HOLDING ANOTHER PUBLIC OFFICE, SUBJECT TO THE PROVISIONS OF
35 ARTICLE EIGHTEEN OF THE GENERAL MUNICIPAL LAW. FOR THE PURPOSES OF SUCH
36 ARTICLE EIGHTEEN, THE SUBSIDIARY CORPORATION SHALL BE A "MUNICIPALITY"
37 AND A MEMBER SHALL BE A "MUNICIPAL OFFICER". NO MEMBER OF THE SUBSIDIARY
38 CORPORATION SHALL RECEIVE ADDITIONAL COMPENSATION, EITHER DIRECT OR
39 INDIRECT, OTHER THAN REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES
40 INCURRED IN THE PERFORMANCE OF SUCH PERSON'S DUTIES, BY REASON OF SUCH
41 PERSON SERVING AS A MEMBER OF THE SUBSIDIARY CORPORATION.

42 6. TRANSFER OF RESOURCES. THE CITY AND THE CORPORATION SHALL HAVE THE
43 POWER TO, BUT SHALL NOT BE OBLIGATED TO, TRANSFER TO THE SUBSIDIARY
44 CORPORATION SUCH AGENTS, EMPLOYEES AND FACILITIES, INCLUDING ANY REAL
45 AND/OR PERSONAL PROPERTY, IN ORDER TO CARRY OUT THE PURPOSES OF THIS
46 SECTION.

47 7. TERMINATION. THE SUBSIDIARY CORPORATION AND ITS CORPORATE EXISTENCE
48 SHALL CONTINUE UNTIL TERMINATED BY LAW; PROVIDED, HOWEVER, THAT NO SUCH
49 LAW SHALL TAKE EFFECT SO LONG AS THE SUBSIDIARY CORPORATION SHALL HAVE
50 CONTRACTS TO INSURE MORTGAGES (INCLUDING MORTGAGE INSURANCE CONTRACTS
51 AND HOUSING INSURANCE CONTRACTS), COMMITMENTS TO INSURE, NOTES, BONDS,
52 OR OTHER OBLIGATIONS OUTSTANDING, UNLESS ADEQUATE PROVISION HAS BEEN
53 MADE FOR THE PAYMENT THEREOF. UPON TERMINATION OF THE EXISTENCE OF THE
54 SUBSIDIARY CORPORATION ALL OF ITS RIGHTS AND PROPERTIES SHALL PASS TO
55 AND BE VESTED IN THE CORPORATION.

56 8. POWERS. THE SUBSIDIARY CORPORATION SHALL HAVE THE POWER:

1 (A) TO SUE AND BE SUED;
2 (B) TO HAVE A SEAL AND ALTER THE SAME AT PLEASURE;
3 (C) TO MAKE AND ALTER BY-LAWS FOR ITS ORGANIZATION;
4 (D) TO ADOPT, AMEND OR RESCIND RULES AND REGULATIONS APPROPRIATE TO
5 CARRY OUT ITS CORPORATE PURPOSES, INCLUDING RULES AND REGULATIONS
6 GOVERNING THE USE OF ITS PROPERTY AND FACILITIES AND TO ESTABLISH SUCH
7 REQUIREMENTS AND ENTER INTO SUCH AGREEMENTS TO ACHIEVE THE OBJECTIVES OF
8 THIS SECTION;
9 (E) TO MAKE AND EXECUTE CONTRACTS AND ALL OTHER INSTRUMENTS NECESSARY
10 OR CONVENIENT FOR THE EXERCISE OF ITS POWERS AND FUNCTIONS UNDER THIS
11 SECTION;
12 (F) TO ACQUIRE, HOLD AND DISPOSE OF REAL AND/OR PERSONAL PROPERTY FOR
13 ITS CORPORATE PURPOSES;
14 (G) TO ENGAGE THE SERVICES OF PRIVATE CONSULTANTS ON A CONTRACT BASIS
15 FOR RENDERING PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE;
16 (H) TO APPOINT OFFICERS, AGENTS AND EMPLOYEES, PRESCRIBE THEIR DUTIES
17 AND QUALIFICATIONS AND FIX THEIR COMPENSATION;
18 (I) TO INVEST ANY FUNDS, OR OTHER MONEYS UNDER ITS CUSTODY AND CONTROL
19 IN THE SAME MANNER AS THE CORPORATION;
20 (J) TO ESTABLISH AND LEVY FEES AND CHARGES IN CONNECTION WITH THE
21 PROCESSING OF APPLICATIONS FOR MORTGAGE INSURANCE AND FIX PREMIUM CHARG-
22 ES FOR MORTGAGE INSURANCE;
23 (K) TO ENTER INTO COMMITMENTS TO INSURE MORTGAGES AND CONTRACTS OF
24 INSURANCE AND ENTER INTO ANY ADDITIONAL AGREEMENTS AS THE SUBSIDIARY
25 CORPORATION DEEMS APPROPRIATE TO FURTHER THE OBJECTIVES OF THIS SECTION;
26 (L) TO FULFILL ITS OBLIGATIONS AND ENFORCE ITS RIGHTS UNDER ANY
27 CONTRACT OF INSURANCE, OR COMMITMENT TO INSURE SO FURNISHED AS PROVIDED
28 IN THIS SECTION AND SUCH RULES AND REGULATIONS AS MAY BE ADOPTED BY THE
29 SUBSIDIARY CORPORATION;
30 (M) TO PAY, PURSUE TO FINAL COLLECTION, COMPROMISE, WAIVE OR RELEASE
31 ANY RIGHT, TITLE, CLAIM, LIEN OR DEMAND, HOWEVER ACQUIRED, INCLUDING ANY
32 EQUITY OR RIGHT OF REDEMPTION;
33 (N) TO FORECLOSE ANY MORTGAGE IN DEFAULT OR COMMENCE ANY ACTION TO
34 PROTECT OR ENFORCE ANY RIGHT CONFERRED UPON IT BY ANY LAW, MORTGAGE,
35 CONTRACT OR OTHER AGREEMENT, AND TO BID FOR AND PURCHASE SUCH PROPERTY
36 AT ANY FORECLOSURE OR AT ANY OTHER SALE, OR OTHERWISE TO ACQUIRE OR TAKE
37 POSSESSION OF ANY SUCH PROPERTY;
38 (O) TO DEAL WITH, HOLD, ADMINISTER, MANAGE, RENT, REPAIR, INSURE OR
39 SELL, LEASE OR OTHERWISE DISPOSE OF ANY PROPERTY CONVEYED TO OR ACQUIRED
40 BY THE SUBSIDIARY CORPORATION AND TO ENTER INTO AGREEMENTS WITH THE
41 STATE, THE CITY, OR ANY PERSON, FIRM, ENTITY, PARTNERSHIP OR CORPO-
42 RATION, EITHER PUBLIC OR PRIVATE, WITH REGARD THERETO;
43 (P) TO PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS PROP-
44 erty AND OTHER ASSETS AND TO PROCURE REINSURANCE IN CONNECTION WITH ITS
45 OBLIGATIONS, ALL IN SUCH AMOUNTS AND FROM SUCH INSURERS AS IT DEEMS
46 NECESSARY OR DESIRABLE;
47 (Q) TO CONSENT TO THE MODIFICATION, WITH RESPECT TO RATE OF INTEREST,
48 TIME OF PAYMENT OF ANY INSTALLMENT OF PRINCIPAL OR INTEREST, SECURITY OR
49 ANY OTHER TERM, OF ANY MORTGAGE, MORTGAGE LOAN, CONTRACT OR AGREEMENT OF
50 ANY KIND WHICH THE SUBSIDIARY CORPORATION HAS INSURED OR TO WHICH THE
51 SUBSIDIARY CORPORATION IS A PARTY;
52 (R) TO SELL, AT PUBLIC OR PRIVATE SALE, ANY MORTGAGE, MORTGAGE PARTIC-
53 IPATION OR OTHER OBLIGATION HELD BY THE SUBSIDIARY CORPORATION;
54 (S) TO PROCURE CASH EQUIVALENTS FOR DEPOSIT IN ITS FUNDS;
55 (T) TO ENTER INTO CO-INSURANCE AGREEMENTS WITH ANY ENTITY AUTHORIZED
56 BY LAW TO PROVIDE MORTGAGE INSURANCE WITH RESPECT TO PROPERTY LOCATED

1 WITHIN THE CITY, INCLUDING, BUT NOT LIMITED TO THE STATE OF NEW YORK
2 MORTGAGE AGENCY AND THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
3 DEVELOPMENT;

4 (U) TO DO ANY AND ALL THINGS NECESSARY OR CONVENIENT TO CARRY OUT ITS
5 PURPOSES AND EXERCISE THE POWERS EXPRESSLY GIVEN AND GRANTED IN THIS
6 SECTION.

7 9. CLASSIFICATION OF HOUSING ACCOMMODATIONS. THE SUBSIDIARY CORPO-
8 RATION MAY CLASSIFY HOUSING ACCOMMODATIONS WITHIN THE CITY AND APPROVE
9 ANY OF SUCH CLASSES AS ELIGIBLE FOR INSURANCE PURSUANT TO THIS SECTION
10 AND ENACT SEPARATE GUIDELINES DEALING WITH THE PROVISION AND EXTENT OF
11 SUCH INSURANCE.

12 10. INSURANCE OF MORTGAGE LOANS. (A) THE SUBSIDIARY CORPORATION IS
13 AUTHORIZED, SUBJECT TO THE PROVISIONS OF THIS SECTION, TO MAKE COMMIT-
14 MENTS TO INSURE AND TO CONTRACT TO INSURE MORTGAGE LOANS ELIGIBLE FOR
15 INSURANCE HEREUNDER.

16 (B) THE SUBSIDIARY CORPORATION SHALL LIMIT ITS INSURANCE ON A REHABIL-
17 ITATION OR PRESERVATION LOAN TO AN AMOUNT NOT IN EXCESS OF FIFTY PER
18 CENTUM OF THE OUTSTANDING PRINCIPAL INDEBTEDNESS, PROVIDED, HOWEVER,
19 THAT THE SUBSIDIARY CORPORATION MAY INSURE AN AMOUNT NOT IN EXCESS OF
20 SEVENTY-FIVE PER CENTUM OF THE OUTSTANDING PRINCIPAL INDEBTEDNESS OF A
21 REHABILITATION LOAN IF IT SHALL FIND THAT THE EXTENT OF REHABILITATION
22 IS SUFFICIENT TO JUSTIFY SUCH ADDITIONAL INSURANCE, PROVIDED FURTHER,
23 HOWEVER, THAT THE SUBSIDIARY CORPORATION MAY INSURE AN AMOUNT NOT TO
24 EXCEED THE FULL OUTSTANDING PRINCIPAL INDEBTEDNESS OF A REHABILITATION
25 OR PRESERVATION LOAN WHEN SUCH MORTGAGE LOAN HAS BEEN MADE BY A PUBLIC
26 BENEFIT CORPORATION OF THE STATE OF NEW YORK WHICH PUBLIC BENEFIT CORPO-
27 RATION HAS ISSUED OR WILL ISSUE BONDS OR NOTES, SOME OR ALL OF THE
28 PROCEEDS OF WHICH BONDS OR NOTES WERE USED OR WILL BE USED TO MAKE SUCH
29 MORTGAGE LOAN, OR WHEN THE MORTGAGE LOAN HAS BEEN MADE BY A PUBLIC
30 EMPLOYEE PENSION FUND. THE FOREGOING NOTWITHSTANDING, THE SUM OF THE
31 PERCENTAGE OF ANY MORTGAGE LOAN INSURED BY THE SUBSIDIARY CORPORATION
32 AND THE PERCENTAGE OF SUCH LOAN INSURED OR TO BE INSURED BY ANY OTHER
33 PARTY SHALL NOT EXCEED ONE HUNDRED PER CENTUM OF THE OUTSTANDING PRINCIPAL
34 INDEBTEDNESS OF SUCH MORTGAGE LOAN.

35 (C) THE SUBSIDIARY CORPORATION SHALL NOT ISSUE A COMMITMENT TO INSURE
36 OR A HOUSING INSURANCE CONTRACT UNLESS UPON THE ISSUANCE THEREOF AMOUNTS
37 ON DEPOSIT IN THE HOUSING INSURANCE FUND WILL AT LEAST EQUAL THE HOUSING
38 INSURANCE FUND REQUIREMENT.

39 (D) EXCEPT FOR MORTGAGE INSURANCE CONTRACTS AND EXCEPT AS OTHERWISE
40 PROVIDED IN PARAGRAPH (E) OF THIS SUBDIVISION, THE SUBSIDIARY CORPO-
41 RATION SHALL NOT ISSUE A COMMITMENT TO INSURE NOR SHALL IT INSURE ANY
42 MORTGAGE LOAN UNLESS IT SHALL FIRST FIND (I) THAT THE PROPERTY WHICH IS
43 THE SECURITY FOR SUCH MORTGAGE LOAN IS LOCATED IN A NEIGHBORHOOD WITHIN
44 THE CITY CHARACTERIZED BY A DEFICIENCY OF AVAILABLE MORTGAGE FINANCING;
45 (II) THAT SUCH DEFICIENCY HAS CAUSED OR THREATENS TO CAUSE UNDERMAIN-
46 TAINED AND DETERIORATING HOUSING ACCOMMODATIONS AND SUBSTANDARD AND
47 UNSANITARY NEIGHBORHOODS; (III) THAT THE GRANTING OF SUCH MORTGAGE LOAN
48 WILL AID IN THE PRESERVATION OR REHABILITATION OF THE NEIGHBORHOOD IN
49 WHICH SUCH PROPERTY IS LOCATED; (IV) THAT, IF THE PROPERTY WHICH IS THE
50 SECURITY FOR SUCH MORTGAGE LOAN IS OTHER REAL PROPERTY, THE GRANTING OF
51 SUCH MORTGAGE LOAN WILL ASSIST IN PREVENTING THE DETERIORATION OF RESI-
52 DENTIAL HOUSING IN THE NEIGHBORHOOD IN WHICH SUCH PROPERTY IS LOCATED;
53 AND (V) THAT THE PROPERTY WHICH IS THE SECURITY FOR SUCH LOAN MEETS SUCH
54 OTHER REQUIREMENTS AS THE SUBSIDIARY CORPORATION MAY FROM TIME TO TIME
55 ESTABLISH BY GUIDELINES ADOPTED BY THE SUBSIDIARY CORPORATION. ANY SUCH
56 DETERMINATION BY THE SUBSIDIARY CORPORATION SHALL BE CONCLUSIVE AND

1 FINAL AND SHALL NOT BE SUBJECT TO REVIEW OF ANY KIND OR NATURE OR IN ANY
2 MANNER WHATSOEVER AND SHALL NOT GIVE RISE TO ANY LIABILITY ON THE PART
3 OF THE SUBSIDIARY CORPORATION.

4 (E) THE SUBSIDIARY CORPORATION MAY ISSUE A COMMITMENT TO INSURE AND
5 MAY INSURE ANY MORTGAGE LOANS, NOTWITHSTANDING THE CRITERIA SET FORTH IN
6 SUBPARAGRAPH (I), (II), (III) OR (IV) OF PARAGRAPH (D) OF THIS SUBDIVI-
7 SION PROVIDED THAT IT SHALL FIND THE PROPERTY WHICH IS THE SECURITY FOR
8 SUCH MORTGAGE LOAN OR MORTGAGE LOANS IS EITHER: (I) LOCATED WITHIN THE
9 CITY IN AN EMPIRE ZONE DESIGNATED PURSUANT TO ARTICLE EIGHTEEN-B OF THE
10 GENERAL MUNICIPAL LAW, OR (II) WILL PROVIDE SAFE, SANITARY AND AFFORDA-
11 BLE HOUSING FOR PERSONS AND FAMILIES FOR WHOM THE ORDINARY OPERATIONS OF
12 PRIVATE ENTERPRISE CANNOT SUPPLY SUCH HOUSING, OR (III) THE ENTITY
13 PROVIDING THE MORTGAGE FINANCING WAS OR IS CREATED BY LOCAL, STATE OR
14 FEDERAL LEGISLATION AND CERTIFIES TO THE SUBSIDIARY CORPORATION THAT THE
15 HOUSING ACCOMMODATIONS OR OTHER REAL PROPERTY ARE LOCATED WITHIN THE
16 CITY AND MEET THE PROGRAM CRITERIA APPLICABLE TO SUCH ENTITY. IN ADDI-
17 TION, THE SUBSIDIARY CORPORATION MAY ENTER INTO ANY MORTGAGE INSURANCE
18 CONTRACT, NOTWITHSTANDING THE CRITERIA SET FORTH IN SUBPARAGRAPH (I),
19 (II), (III) OR (IV) OF PARAGRAPH (D) OF THIS SUBDIVISION.

20 (F) THE SUBSIDIARY CORPORATION MAY ISSUE A COMMITMENT TO INSURE AND
21 MAY INSURE AN EXISTING MORTGAGE LOAN, WHEN AN APPLICATION FOR SUCH MORT-
22 GAGE INSURANCE HAS BEEN SUBMITTED PRIOR TO THE MAKING OF SUCH MORTGAGE
23 LOAN, AND SIGNIFICANT CIRCUMSTANCES BEYOND THE REASONABLE CONTROL OF THE
24 MORTGAGOR AND MORTGAGEE NECESSITATE THE MAKING OF THE MORTGAGE LOAN
25 PRIOR TO THE ISSUANCE OF THE COMMITMENT TO INSURE AND WHEN IT IS DETER-
26 MINED BY THE SUBSIDIARY CORPORATION THAT SUCH MORTGAGE LOAN WOULD NOT
27 HAVE BEEN MADE EXCEPT FOR THE REASONABLE EXPECTATION THAT THE SUBSIDIARY
28 CORPORATION WOULD INSURE THE MORTGAGE LOAN.

29 (G) TO BE ELIGIBLE FOR INSURANCE UNDER THIS SECTION, A MORTGAGE LOAN
30 SHALL BE A PRESERVATION LOAN AND/OR A REHABILITATION LOAN AND (I) BEAR
31 INTEREST, EXCLUSIVE OF PREMIUM CHARGES FIXED BY THE SUBSIDIARY CORPO-
32 RATION, AT A RATE NOT IN EXCESS OF THE RATE OF INTEREST AUTHORIZED BY
33 LAW AND NOT IN EXCESS OF A MAXIMUM RATE OF INTEREST ESTABLISHED BY THE
34 SUBSIDIARY CORPORATION FROM TIME TO TIME. IN MAKING ITS DETERMINATION OF
35 APPROPRIATE MAXIMUM INTEREST RATE, THE SUBSIDIARY CORPORATION SHALL TAKE
36 INTO ACCOUNT THE RATES OF INTEREST PREVALENT IN THE MORTGAGE MARKET,
37 CURRENT DATA ON SECONDARY MARKET YIELDS AND DISCOUNT AND/OR PREMIUM
38 LEVELS; (II) UNLESS THE SUBSIDIARY CORPORATION IN ITS SOLE DISCRETION
39 SHALL OTHERWISE DETERMINE, PROVIDE FOR SUBSTANTIALLY EQUAL AND CONSTANT
40 PERIODIC PAYMENTS OF PRINCIPAL AND INTEREST IN AMOUNTS SUFFICIENT TO PAY
41 ALL INTEREST AND EFFECT FULL REPAYMENT OF PRINCIPAL WITHIN THE TERM OF
42 THE MORTGAGE LOAN; (III) CONTAIN TERMS WITH RESPECT TO THE PREPAYMENT,
43 INSURANCE, REPAIRS, ALTERATIONS, PAYMENT OF TAXES, SPECIAL ASSESSMENTS,
44 SERVICE CHARGES, DEFAULT RESERVES, DELINQUENCY CHARGES, FORECLOSURE
45 PROCEEDINGS, ADDITIONAL AND SECONDARY LIENS, AND SUCH OTHER MATTERS AS
46 THE SUBSIDIARY CORPORATION MAY IN ITS DISCRETION PRESCRIBE; (IV) BE
47 ACCOMPANIED BY CERTIFICATES, ISSUED BY SUCH OFFICERS OF THE MORTGAGEE,
48 INDEPENDENT APPRAISERS OR OTHER PERSONS AS THE SUBSIDIARY CORPORATION
49 MAY REQUIRE, CERTIFYING THAT: (A) WHERE APPROPRIATE, THE ANNUAL INCOME
50 TO BE DERIVED FROM THE PROPERTY EQUALS NOT LESS THAN ONE HUNDRED FIVE
51 PER CENTUM OF THE ANNUAL CHARGES AND EXPENSES, INCLUDING PROVISION FOR
52 RESERVES, SATISFACTORY TO THE SUBSIDIARY CORPORATION, FOR THE AMORTI-
53 ZATION OF SUBORDINATE MORTGAGE LOANS OVER THE REMAINING TERMS OF SUCH
54 MORTGAGE LOANS REGARDLESS OF WHETHER THE TERMS OF SUCH SUBORDINATE MORT-
55 GAGE LOANS INCLUDE SCHEDULED AMORTIZATION OF PRINCIPAL; (B) THE REMAIN-
56 ING USEFUL LIFE OF THE PROPERTY IS GREATER THAN THE TERM OF THE MORT-

1 GAGE; AND (C) THE HOUSING ACCOMMODATION OR OTHER REAL PROPERTY DOES NOT
2 CONTAIN ANY SUBSTANTIAL VIOLATIONS OF THE HOUSING CODE OR THE MULTIPLE
3 DWELLING LAW, EXCEPT THAT IN THE CASE OF A MORTGAGE LOAN MADE TO THE
4 OWNER OF A HOUSING ACCOMMODATION OR OTHER REAL PROPERTY CONTAINING ANY
5 SUCH VIOLATIONS, THE SUBSIDIARY CORPORATION MAY INSURE OR COMMIT TO
6 INSURE SUCH MORTGAGE LOAN IF THE MORTGAGEE AND THE OWNER HAVE SUBMITTED
7 A PLAN, SATISFACTORY TO THE SUBSIDIARY CORPORATION TO ELIMINATE SUCH
8 VIOLATIONS; AND (V) SATISFY SUCH ADDITIONAL TERMS AND CONDITIONS AS THE
9 SUBSIDIARY CORPORATION MAY PRESCRIBE.

10 (H) IN ADDITION TO THE CONDITIONS SET FORTH IN PARAGRAPHS (D) THROUGH
11 (G) OF THIS SUBDIVISION, THE SUBSIDIARY CORPORATION SHALL NOT INSURE NOR
12 ISSUE A COMMITMENT TO INSURE ANY REHABILITATION LOAN UNLESS IT SHALL
13 FIND (I) THAT REHABILITATION IS NECESSARY TO UPGRADE THE PROPERTY, (II)
14 THAT REHABILITATION WILL NOT NECESSITATE MORE THAN A MINIMUM AMOUNT OF
15 RELOCATION OF THE RESIDENTS OF ANY HOUSING ACCOMMODATION AND (III) THAT
16 THE REHABILITATION UNDERTAKEN WITH THE PROCEEDS OF THE REHABILITATION
17 LOAN HAS BEEN COMPLETED.

18 (I) A FINANCIAL INSTITUTION MAY REQUEST INSURANCE BY WRITTEN APPLICA-
19 TION TO THE SUBSIDIARY CORPORATION IN SUCH FORM AND MANNER, TOGETHER
20 WITH SUCH INFORMATION AND DOCUMENTS, AS THE SUBSIDIARY CORPORATION MAY
21 PRESCRIBE. NO APPLICATION SHALL BE COMPLETE UNLESS AND UNTIL THE FINAN-
22 CIAL INSTITUTION HAS PAID SUCH PROCESSING FEES AND OTHER CHARGES AS THE
23 SUBSIDIARY CORPORATION MAY IMPOSE IN CONNECTION THEREWITH. THE SUBSID-
24 IARY CORPORATION SHALL SIGNIFY ITS ACCEPTANCE OF SUCH APPLICATION FOR
25 INSURANCE BY ISSUANCE OF A COMMITMENT TO INSURE OR A CONTRACT OF INSUR-
26 ANCE.

27 (J) THE SUBSIDIARY CORPORATION SHALL NOT ISSUE A COMMITMENT TO INSURE
28 A MORTGAGE LOAN EXTENDED BY THE CORPORATION UNLESS SUCH COMMITMENT TO
29 INSURE IS APPROVED BY AT LEAST TWO MEMBERS OF A COMMITTEE COMPOSED OF
30 THE CHAIRPERSON OF THE SUBSIDIARY CORPORATION AND THE MEMBERS OF THE
31 SUBSIDIARY CORPORATION WHO ARE NOT MEMBERS OF THE CORPORATION.

32 11. PAYMENT OF INSURANCE. THE SUBSIDIARY CORPORATION SHALL ESTABLISH
33 PROCEDURES TO BE FOLLOWED BY A MORTGAGEE IN THE EVENT OF A DEFAULT UNDER
34 THE TERMS OF ANY MORTGAGE INSURED BY THE SUBSIDIARY CORPORATION,
35 PROVIDED, HOWEVER, ANY MODIFICATION TO SUCH PROCEDURES (OTHER THAN TO
36 CURE ANY AMBIGUITY, DEFECT OR OMISSION) SHALL APPLY ONLY TO MORTGAGES
37 FOR WHICH COMMITMENTS HAVE BEEN ISSUED AFTER THE EFFECTIVE DATE OF SUCH
38 MODIFICATION. THE SUBSIDIARY CORPORATION MAY ESTABLISH PREREQUISITES FOR
39 PAYMENT OF AN INSURANCE CLAIM, INCLUDING, BUT NOT LIMITED TO, REQUIRING
40 THE MORTGAGEE TO TAKE SUCH ACTIONS WITH RESPECT TO THE PROPERTY SECURING
41 THE DEFAULTED MORTGAGE AS MAY BE SPECIFIED BY THE SUBSIDIARY CORPORATION
42 TO BE SATISFACTORY EVIDENCE OF A CONTINUING DEFAULT, INCLUDING BUT NOT
43 LIMITED TO THE FOLLOWING ACTIONS: (A) BECOMING LAWFULLY THE MORTGAGEE IN
44 POSSESSION THEREOF; (B) CAUSING A RECEIVER TO BE APPOINTED OF SUCH PROP-
45 erty; (C) OBTAINING VOLUNTARY CONVEYANCE OF THE MORTGAGOR'S RIGHT AND
46 TITLE TO SUCH PROPERTY; OR (D) OBTAINING BY FORECLOSURE CLEAR AND UNEN-
47 CUMBERED TITLE TO SUCH PROPERTY, ALL IN SUCH MANNER AS THE SUBSIDIARY
48 CORPORATION MAY REQUIRE. FOLLOWING SUBMISSION OF A VALID CLAIM, THE
49 SUBSIDIARY CORPORATION SHALL PAY AN AMOUNT WHICH SHALL NOT EXCEED THE
50 LESSER OF: (1) THE THEN OUTSTANDING PRINCIPAL AMOUNT OF THE MORTGAGE
51 MULTIPLIED BY THE PER CENTUM OF SUCH OUTSTANDING AMOUNT INSURED BY THE
52 SUBSIDIARY CORPORATION PLUS THAT PER CENTUM OF THE MORTGAGEE'S COST
53 ARISING FROM THE DEFAULT, INCLUSIVE OF PUBLIC LIENS AND DELINQUENT AND
54 UNPAID INTEREST, ALL AS THE SUBSIDIARY CORPORATION MAY FROM TIME TO TIME
55 ALLOW, WHICH PER CENTUM SHALL NOT EXCEED THE PER CENTUM OF THE OUTSTAND-
56 ING PRINCIPAL INDEBTEDNESS INSURED BY THE SUBSIDIARY CORPORATION OR (2)

1 THE INSURED AMOUNT OF THE MORTGAGE LOAN AT THE DATE OF EXECUTION OF THE
2 CONTRACT OF INSURANCE OR ITS LATEST AMENDMENT, IF ANY, EXCEPT THAT THE
3 SUBSIDIARY CORPORATION SHALL PAY THE GREATER OF THE TWO AMOUNTS ON
4 CLAIMS BY A PUBLIC EMPLOYEE PENSION FUND OR BY A PUBLIC BENEFIT CORPO-
5 RATION FROM MORTGAGE LOANS FINANCED BY THE SALE OF NOTES OR BONDS ISSUED
6 BY SAID CORPORATION AND SUCH AMOUNT PAYABLE MAY, IF SO PROVIDED IN THE
7 CONTRACT OF INSURANCE, INCLUDE ACCRUED INTEREST TO THE DATE OF REDEMP-
8 TION FOR SUCH BONDS OR NOTES AND ANY COST ASSOCIATED WITH SUCH REDEMP-
9 TION, PROVIDED THAT NO MORE THAN THE ACTUAL LOSS SUFFERED BY SUCH PUBLIC
10 BENEFIT CORPORATION OR PUBLIC EMPLOYEE PENSION FUND SHALL BE PAID. SUCH
11 PAYMENT MAY BE MADE BY THE SUBSIDIARY CORPORATION IN A LUMP SUM, OR IN
12 PARTIAL PAYMENTS MADE WITHIN SUCH PERIOD OF TIME, NOT IN EXCESS OF TWO
13 YEARS, AS MAY BE AGREED TO BETWEEN THE SUBSIDIARY CORPORATION AND THE
14 MORTGAGEE, ALL IN ACCORDANCE WITH PROCEDURES TO BE ESTABLISHED BY THE
15 SUBSIDIARY CORPORATION. THE SUBSIDIARY CORPORATION SHALL HAVE THE POWER
16 TO BID FOR AND PURCHASE THE PROPERTY SECURING THE DEFAULTED MORTGAGE AT
17 ANY FORECLOSURE OR OTHER SALE OF SUCH PROPERTY, OR TO OTHERWISE ACQUIRE
18 OR TAKE POSSESSION OF SUCH PROPERTY IN ACCORDANCE WITH OTHER PROVISIONS
19 OF LAW. IN THE EVENT OF ANY SUCH PURCHASE, ACQUISITION, OR TAKING OF
20 POSSESSION, THE SUBSIDIARY CORPORATION SHALL HAVE THE POWER TO COMPLETE,
21 ADMINISTER, SELL, DISPOSE OF, AND OTHERWISE DEAL WITH SUCH PROPERTY, IN
22 SUCH MANNER AS MAY BE NECESSARY OR DESIRABLE TO PROTECT THE INTERESTS OF
23 THE SUBSIDIARY CORPORATION.

24 12. MORTGAGE INSURANCE FUND, HOUSING INSURANCE FUND AND REMIC PREMIUM
25 RESERVE FUND. (A) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH
26 A FUND TO BE KNOWN AS THE "MORTGAGE INSURANCE FUND" WHICH SHALL BE USED
27 AS A REVOLVING FUND FOR CARRYING OUT THE PROVISIONS OF THIS SECTION WITH
28 RESPECT TO MORTGAGE INSURANCE CONTRACTS AND SHALL, UPON ITS CREATION,
29 PAY INTO SUCH FUND MONEYS MADE AVAILABLE TO THE SUBSIDIARY CORPORATION
30 FROM THE CORPORATION IN AN AMOUNT EQUAL TO THE MORTGAGE INSURANCE FUND
31 REQUIREMENT AS OF SUCH DATE FOR THE PURPOSE OF SUCH FUND, AND SHALL
32 THEREAFTER, PAY INTO SUCH FUND, UPON RECEIPT, (I) SUCH PORTION OF MORT-
33 GAGE INSURANCE CONTRACT PREMIUM PAYMENTS IN AN AMOUNT EQUAL TO THE
34 AMOUNT NECESSARY TO BE TRANSFERRED TO THE MORTGAGE INSURANCE FUND IN
35 ORDER THAT THE AMOUNT ON DEPOSIT THEREIN BE EQUAL TO THE MORTGAGE INSUR-
36 ANCE FUND REQUIREMENT (OR SUCH LESSER AMOUNT AS MAY BE AVAILABLE); (II)
37 SUCH PORTION OF THE PROCEEDS RECEIVED BY THE SUBSIDIARY CORPORATION IN
38 CONNECTION WITH THE EXERCISE OF SUCH SUBSIDIARY CORPORATION'S RIGHTS
39 UNDER ANY MORTGAGE INSURANCE CONTRACT IN AN AMOUNT EQUAL TO THE AMOUNT
40 NECESSARY TO BE TRANSFERRED TO THE MORTGAGE INSURANCE FUND IN ORDER THAT
41 THE AMOUNT ON DEPOSIT THEREIN BE EQUAL TO THE MORTGAGE INSURANCE FUND
42 REQUIREMENT (OR SUCH LESSER AMOUNT AS MAY BE AVAILABLE); (III) ANY
43 MONEYS APPROPRIATED, PAID OR OTHERWISE MADE AVAILABLE BY THE CITY OR THE
44 CORPORATION FOR THE PURPOSE OF SUCH FUND; AND (IV) ANY OTHER MONEYS
45 WHICH MAY BE MADE AVAILABLE TO THE SUBSIDIARY CORPORATION FOR THE
46 PURPOSE OF SUCH FUND FROM ANY OTHER SOURCE. ALL MONEYS HELD IN THE MORT-
47 GAGE INSURANCE FUND, EXCEPT AS HEREINAFTER PROVIDED, SHALL BE USED, AS
48 REQUIRED, SOLELY FOR THE PAYMENT OF THE SUBSIDIARY CORPORATION'S LIABIL-
49 ITIES ARISING FROM MORTGAGE INSURANCE CONTRACTS; PROVIDED, HOWEVER, THAT
50 MONEYS IN SUCH FUND SHALL NOT BE WITHDRAWN THEREFROM AT ANY TIME IN SUCH
51 AMOUNT AS WOULD REDUCE THE AMOUNT OF SUCH FUND TO LESS THAN THE MORTGAGE
52 INSURANCE FUND REQUIREMENT, EXCEPT FOR THE PURPOSES OF PAYING SUCH
53 LIABILITIES, AS THE SAME BECOME DUE AND FOR THE PAYMENT OF WHICH OTHER
54 MONEYS OF THE SUBSIDIARY CORPORATION ARE NOT AVAILABLE. ANY INCOME OR
55 INTEREST EARNED BY, OR INCREMENT TO, THE MORTGAGE INSURANCE FUND DUE TO
56 THE INVESTMENT THEREOF OR ANY AMOUNT IN EXCESS OF THE MORTGAGE INSURANCE

FUND REQUIREMENT SHALL BE TRANSFERRED AT LEAST ANNUALLY BY THE SUBSIDIARY CORPORATION TO THE REMIC PREMIUM RESERVE FUND OR, AT THE WRITTEN DIRECTION OF THE CHAIRPERSON, TO SUCH OTHER FUNDS OR ACCOUNTS OF THE SUBSIDIARY CORPORATION TO THE EXTENT IT DOES NOT REDUCE THE AMOUNT OF THE MORTGAGE INSURANCE FUND BELOW THE MORTGAGE INSURANCE FUND REQUIREMENT.

(B) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH A FUND TO BE KNOWN AS THE "HOUSING INSURANCE FUND" WHICH SHALL BE USED AS A REVOLVING FUND FOR CARRYING OUT THE PROVISIONS OF THIS SECTION WITH RESPECT TO HOUSING INSURANCE CONTRACTS AND SHALL, UPON ITS CREATION, PAY INTO SUCH FUND ANY MONEYS OR CASH EQUIVALENTS MADE AVAILABLE TO THE SUBSIDIARY CORPORATION FROM THE CORPORATION FOR THE PURPOSE OF SUCH FUND, AND SHALL THEREAFTER, PAY INTO SUCH FUND, UPON RECEIPT, (I) SUCH PORTION OF HOUSING INSURANCE CONTRACT PREMIUM PAYMENTS IN AN AMOUNT EQUAL TO THE AMOUNT NECESSARY TO BE TRANSFERRED TO THE HOUSING INSURANCE FUND IN ORDER THAT THE AMOUNT ON DEPOSIT THEREIN BE EQUAL TO THE HOUSING INSURANCE FUND REQUIREMENT (OR SUCH LESSER AMOUNT AS MAY BE AVAILABLE); (II) SUCH PORTION OF THE PROCEEDS RECEIVED BY THE SUBSIDIARY CORPORATION IN CONNECTION WITH THE EXERCISE OF SUCH SUBSIDIARY CORPORATION'S RIGHTS UNDER ANY HOUSING INSURANCE CONTRACT IN AN AMOUNT EQUAL TO THE AMOUNT NECESSARY TO BE TRANSFERRED TO THE HOUSING INSURANCE FUND IN ORDER THAT THE AMOUNT ON DEPOSIT THEREIN BE EQUAL TO THE HOUSING INSURANCE FUND REQUIREMENT (OR SUCH LESSER AMOUNT AS MAY BE AVAILABLE); (III) ANY MONEYS OR CASH EQUIVALENTS APPROPRIATED, PAID OR OTHERWISE MADE AVAILABLE BY THE CITY, THE FEDERAL GOVERNMENT OR THE CORPORATION FOR THE PURPOSE OF SUCH FUND; AND (IV) ANY OTHER MONEYS OR CASH EQUIVALENTS WHICH MAY BE MADE AVAILABLE TO THE SUBSIDIARY CORPORATION FOR THE PURPOSE OF SUCH FUND FROM ANY OTHER SOURCE. ALL MONEYS OR CASH EQUIVALENTS HELD IN THE HOUSING INSURANCE FUND, EXCEPT AS HEREINAFTER PROVIDED, SHALL BE USED, AS REQUIRED, SOLELY FOR THE PAYMENT OF THE SUBSIDIARY CORPORATION'S LIABILITIES ARISING FROM HOUSING INSURANCE CONTRACTS; PROVIDED, HOWEVER, THAT MONEYS OR CASH EQUIVALENTS IN SUCH FUND SHALL NOT BE WITHDRAWN THEREFROM AT ANY TIME IN SUCH AMOUNT AS WOULD REDUCE THE AMOUNT OF SUCH FUND TO LESS THAN THE HOUSING INSURANCE FUND REQUIREMENT, EXCEPT FOR THE PURPOSE OF PAYING SUCH LIABILITIES, AS THE SAME BECOME DUE AND FOR THE PAYMENT OF WHICH OTHER MONEYS OF THE SUBSIDIARY CORPORATION ARE NOT AVAILABLE. ANY INCOME OR INTEREST EARNED BY, OR INCREMENT TO, THE HOUSING INSURANCE FUND DUE TO THE INVESTMENT THEREOF OR ANY AMOUNT IN EXCESS OF THE HOUSING INSURANCE FUND REQUIREMENT SHALL BE TRANSFERRED AT LEAST ANNUALLY BY THE SUBSIDIARY CORPORATION TO THE REMIC PREMIUM RESERVE FUND OR AT THE WRITTEN DIRECTION OF THE CHAIRPERSON, TO SUCH OTHER FUNDS OR ACCOUNTS OF THE SUBSIDIARY CORPORATION TO THE EXTENT IT DOES NOT REDUCE THE AMOUNT OF THE HOUSING INSURANCE FUND BELOW THE HOUSING INSURANCE FUND REQUIREMENT.

(C) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH SUCH ACCOUNTS WITHIN THE HOUSING INSURANCE FUND AS MAY BE NECESSARY OR DESIRABLE FOR ITS CORPORATE PURPOSES.

(D) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH A FUND TO BE KNOWN AS THE "REMIC PREMIUM RESERVE FUND" FOR THE PURPOSE OF PROVIDING FOR PAYMENT OF THE SUBSIDIARY CORPORATION'S LIABILITIES ARISING FROM ITS OPERATIONS, ITS MORTGAGE INSURANCE CONTRACTS AND ITS HOUSING INSURANCE CONTRACTS AND SHALL, UPON ITS CREATION, PAY INTO SUCH FUND MONEYS OR CASH EQUIVALENTS MADE AVAILABLE TO THE SUBSIDIARY CORPORATION FROM THE CORPORATION FOR THE PURPOSE OF SUCH FUND, AND SHALL THEREAFTER, PAY INTO SUCH FUND, UPON RECEIPT, (I) THE BALANCE OF THE PREMIUM PAYMENTS, IF ANY, RECEIVED BY THE SUBSIDIARY CORPORATION WITH RESPECT TO MORTGAGE

1 INSURANCE CONTRACTS AND HOUSING INSURANCE CONTRACTS AFTER MAKING THE
2 DEPOSITS DESCRIBED IN SUBPARAGRAPH (I) OF PARAGRAPH (A) AND SUBPARAGRAPH
3 (I) OF PARAGRAPH (B) RESPECTIVELY, OF THIS SUBDIVISION; (II) THE BALANCE
4 OF ANY PROCEEDS RECEIVED BY THE SUBSIDIARY CORPORATION IN CONNECTION
5 WITH THE EXERCISE OF SUCH SUBSIDIARY CORPORATION'S RIGHTS UNDER ANY
6 MORTGAGE INSURANCE CONTRACT OR HOUSING INSURANCE CONTRACT AFTER MAKING
7 THE DEPOSITS DESCRIBED IN SUBPARAGRAPH (II) OF PARAGRAPH (A) AND SUBPAR-
8 AGRAPH (II) OF PARAGRAPH (B) RESPECTIVELY, OF THIS SUBDIVISION; (III)
9 ANY MONEYS OR CASH EQUIVALENTS APPROPRIATED, PAID OR OTHERWISE MADE
10 AVAILABLE BY THE CITY, THE FEDERAL GOVERNMENT OR THE CORPORATION FOR THE
11 PURPOSE OF SUCH FUND; AND (IV) ANY OTHER MONEYS OR CASH EQUIVALENTS
12 WHICH MAY BE MADE AVAILABLE TO THE SUBSIDIARY CORPORATION FOR THE
13 PURPOSE OF SUCH FUND FROM ANY OTHER SOURCE.

14 (E) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH SUCH
15 ACCOUNTS WITHIN THE REMIC PREMIUM RESERVE FUND AS MAY BE NECESSARY FOR
16 ITS CORPORATE PURPOSES.

17 (F) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, ALL MONEYS RECEIVED
18 BY THE SUBSIDIARY CORPORATION SHALL BE DEPOSITED IN THE REMIC PREMIUM
19 RESERVE FUND.

20 (G) IF THE REMIC PREMIUM RESERVE FUND IS FUNDED IN WHOLE OR IN PART
21 WITH CASH, THE MONEYS IN SUCH FUND SHALL BE DEPOSITED IN ONE OR MORE
22 BANKS OR TRUST COMPANIES DESIGNATED, IN THE MANNER PROVIDED BY LAW, AS
23 DEPOSITORIES OF THE FUNDS OF THE SUBSIDIARY CORPORATION. THE SUBSIDIARY
24 CORPORATION MAY INVEST ANY MONEYS IN SUCH FUND IN THE SAME MANNER AS
25 MONEYS OF THE CORPORATION MAY BE INVESTED, PROVIDED THAT SUCH OBLI-
26 GATIONS SHALL BE PAYABLE WITHIN SUCH TIME AS THE PROCEEDS MAY BE NEEDED
27 TO MEET EXPENDITURES ESTIMATED TO BE INCURRED BY THE SUBSIDIARY CORPO-
28 RATION. ANY INTEREST EARNED OR CAPITAL GAIN REALIZED ON THE MONEY SO
29 DEPOSITED OR INVESTED SHALL ACCRUE TO AND BECOME PART OF SUCH FUND. THE
30 SEPARATE IDENTITY OF SUCH FUND SHALL BE MAINTAINED WHETHER ITS ASSETS
31 CONSIST OF CASH OR INVESTMENTS OR BOTH.

32 (H) THE SUBSIDIARY CORPORATION SHALL TRANSFER FROM THE REMIC PREMIUM
33 RESERVE FUND SUCH MONEYS AS THE SUBSIDIARY CORPORATION, BY ITS CHAIR-
34 PERSON, SHALL CERTIFY ARE REQUIRED FOR THE SUBSIDIARY CORPORATION TO PAY
35 ITS OPERATING EXPENSES, TO PAY ANY LIABILITIES ARISING FROM THE SUBSID-
36 IARY CORPORATION'S MORTGAGE INSURANCE CONTRACTS AND HOUSING INSURANCE
37 CONTRACTS, AND TO RESTORE THE MORTGAGE INSURANCE FUND AND THE HOUSING
38 INSURANCE FUND TO THE MORTGAGE INSURANCE FUND REQUIREMENT AND HOUSING
39 INSURANCE FUND REQUIREMENT, RESPECTIVELY.

40 (I) THE SUBSIDIARY CORPORATION SHALL KEEP A SEPARATE ACCOUNT FOR THE
41 REMIC PREMIUM RESERVE FUND. SUCH ACCOUNT SHALL SHOW (I) THE DATE AND
42 AMOUNT OF EACH SUM PAID INTO THE FUND, (II) THE INTEREST EARNED BY THE
43 FUND, (III) THE CAPITAL GAINS OR LOSSES RESULTING FROM THE SALE OF
44 INVESTMENTS OF THE FUND, (IV) THE INTEREST OR CAPITAL GAINS WHICH HAVE
45 ACCRUED TO THE FUND, (V) THE AMOUNT AND DATE OF EACH WITHDRAWAL FROM THE
46 FUND, AND (VI) THE ASSETS OF THE FUND INDICATING THE CASH BALANCE THERE-
47 IN AND A SCHEDULE OF THE AMOUNTS INVESTED.

48 (J) IN COMPUTING THE AMOUNT OF THE MORTGAGE INSURANCE FUND, THE HOUS-
49 ING INSURANCE FUND AND THE REMIC PREMIUM RESERVE FUND FOR THE PURPOSES
50 OF THIS SECTION, SECURITIES IN WHICH ALL OR A PORTION OF SUCH FUNDS
51 SHALL BE INVESTED SHALL BE VALUED AT PAR, IF PURCHASED AT PAR, OR IF
52 PURCHASED AT OTHER THAN PAR, AT AMORTIZED VALUE. AMORTIZED VALUE, WHEN
53 USED WITH RESPECT TO SECURITIES PURCHASED AT A PREMIUM ABOVE OR A
54 DISCOUNT BELOW PAR OR IF PURCHASED AT PAR, OR IF PURCHASED AT OTHER THAN
55 PAR, SHALL MEAN THE VALUE AS OF ANY GIVEN DATE OBTAINED BY DIVIDING THE
56 TOTAL PREMIUMS OR DISCOUNT AT WHICH SUCH SECURITIES WERE PURCHASED BY

1 THE NUMBER OF INTEREST PAYMENTS REMAINING TO MATURITY ON SUCH SECURITIES
2 AFTER SUCH PURCHASE AND BY MULTIPLYING THE AMOUNT SO CALCULATED BY THE
3 NUMBER OF INTEREST PAYMENT DATES HAVING PASSED SINCE THE DATE OF SUCH
4 PURCHASE; AND (I) IN THE CASE OF SECURITIES PURCHASED AT A PREMIUM BY
5 DEDUCTING THE PRODUCT THUS OBTAINED FROM THE PURCHASE PRICE, AND (II) IN
6 THE CASE OF SECURITIES PURCHASED AT A DISCOUNT BY ADDING THE PRODUCT
7 THUS OBTAINED TO THE PURCHASE PRICE.

8 (K) THE SUBSIDIARY CORPORATION SHALL CREATE AND ESTABLISH SUCH OTHER
9 FUND OR FUNDS AS MAY BE NECESSARY OR DESIRABLE FOR ITS CORPORATE
10 PURPOSES.

11 13. CHARGES AND FEES. (A) THE SUBSIDIARY CORPORATION SHALL FIX A
12 PREMIUM CHARGE FOR ITS INSURANCE OF MORTGAGES PURSUANT TO THIS SECTION
13 WHICH SHALL NOT BE LESS THAN THE MINIMUM AMOUNT NOR MORE THAN THE MAXI-
14 MUM AMOUNT THAT THE STATE OF NEW YORK MORTGAGE AGENCY IS PERMITTED TO
15 CHARGE PURSUANT TO APPLICABLE PROVISIONS OF LAW.

16 (B) THE SUBSIDIARY CORPORATION MAY ESTABLISH AND LEVY SUCH OTHER
17 CHARGES AND FEES IN CONNECTION WITH APPLICATIONS FOR MORTGAGE INSURANCE
18 AND INSURANCE COMMITMENTS AS IT MAY DEEM APPROPRIATE AND NECESSARY.

19 (C) SUCH PREMIUM CHARGES AND OTHER CHARGES SHALL BE PAYABLE BY THE
20 MORTGAGOR IN CASH IN SUCH MANNER AS MAY BE PRESCRIBED BY THE SUBSIDIARY
21 CORPORATION.

22 (D) SUCH PREMIUM CHARGES AND OTHER CHARGES AND FEES SHALL NOT BE
23 DEEMED TO BE INTEREST FOR THE PURPOSES OF SECTION 5-501 OF THE GENERAL
24 OBLIGATIONS LAW.

25 14. ASSISTANCE BY THE CORPORATION. THE CORPORATION IS HEREBY AUTHOR-
26 IZED TO PERFORM SUCH FUNCTIONS AND SERVICES IN CONNECTION WITH ANY
27 LAWFUL CORPORATE PURPOSE OF THE SUBSIDIARY CORPORATION AS SHALL BE
28 REQUESTED BY THE SUBSIDIARY CORPORATION. THE SUBSIDIARY CORPORATION
29 SHALL PAY TO THE CORPORATION FROM ANY MONEYS OF THE SUBSIDIARY CORPO-
30 RATION AVAILABLE FOR SUCH PURPOSES SUCH AMOUNTS AS ARE NECESSARY TO PAY
31 THE CORPORATION FOR THE SERVICES RENDERED BY THE CORPORATION PURSUANT TO
32 THIS SECTION.

33 15. ASSISTANCE BY THE DIVISION OF RESIDENTIAL DEVELOPMENT. THE DIREC-
34 TOR OF THE DIVISION OF RESIDENTIAL DEVELOPMENT AND THE DIVISION OF RESI-
35 DENTIAL DEVELOPMENT ARE HEREBY AUTHORIZED TO PERFORM SUCH FUNCTIONS AND
36 SERVICES IN CONNECTION WITH ANY LAWFUL CORPORATE PURPOSE OF THE SUBSID-
37 IARY CORPORATION AS SHALL BE REQUESTED BY THE SUBSIDIARY CORPORATION.
38 THE SUBSIDIARY CORPORATION SHALL PAY TO THE DIVISION OF RESIDENTIAL
39 DEVELOPMENT FROM ANY MONEYS OF THE SUBSIDIARY CORPORATION AVAILABLE FOR
40 SUCH PURPOSES SUCH AMOUNTS AS ARE NECESSARY TO REIMBURSE THE DIVISION OF
41 RESIDENTIAL DEVELOPMENT FOR THE SERVICES PROVIDED PURSUANT TO THIS
42 SECTION.

43 16. ANNUAL REPORT. THE SUBSIDIARY CORPORATION SHALL SUBMIT TO THE
44 MAYOR, THE COMPTROLLER, THE BUDGET DIRECTOR AND THE CORPORATION WITHIN
45 NINETY DAYS AFTER THE END OF ITS FISCAL YEAR, A COMPLETE AND DETAILED
46 REPORT SETTING FORTH: (A) ITS OPERATIONS AND ACCOMPLISHMENTS; (B) ITS
47 RECEIPTS AND EXPENDITURES DURING SUCH FISCAL YEAR IN ACCORDANCE WITH THE
48 CATEGORIES OR CLASSIFICATIONS ESTABLISHED BY THE SUBSIDIARY CORPORATION
49 FOR ITS OPERATING AND CAPITAL OUTLAY PURPOSES; AND (C) ITS ASSETS AND
50 LIABILITIES AT THE END OF ITS FISCAL YEAR, INCLUDING A SCHEDULE OF MORT-
51 GAGES WHICH HAVE BEEN INSURED DURING SUCH YEAR, THE STATUS OF THE MORT-
52 GAGE INSURANCE FUND, HOUSING INSURANCE FUND AND OTHER RESERVE OR SPECIAL
53 FUNDS ESTABLISHED BY THE SUBSIDIARY CORPORATION.

54 17. MONEYS OF THE SUBSIDIARY CORPORATION. (A) ALL MONEYS OF THE
55 SUBSIDIARY CORPORATION, EXCEPT AS OTHERWISE AUTHORIZED OR PROVIDED IN
56 THIS SECTION, SHALL BE DEPOSITED AS SOON AS PRACTICABLE IN A SEPARATE

1 ACCOUNT OR ACCOUNTS IN BANKS OR TRUST COMPANIES ORGANIZED UNDER THE LAWS
2 OF THE STATE OR NATIONAL BANKING ASSOCIATION, IN EACH CASE DOING BUSI-
3 NESS IN THE CITY. THE MONEYS IN SUCH ACCOUNTS SHALL BE PAID OUT ON
4 CHECKS SIGNED BY SUCH OFFICER OR EMPLOYEE OF THE SUBSIDIARY CORPORATION
5 AS THE SUBSIDIARY CORPORATION SHALL AUTHORIZE. ALL DEPOSITS OF SUCH
6 MONEYS SHALL, IF REQUIRED BY THE SUBSIDIARY CORPORATION, BE SECURED BY
7 OBLIGATIONS OF THE UNITED STATES OR OF THE STATE OR OF THE CITY OF A
8 MARKET VALUE EQUAL AT ALL TIMES TO THE AMOUNT OF THE DEPOSIT AND ALL
9 BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH
10 DEPOSITS.

11 (B) THE SUBSIDIARY CORPORATION SHALL PRESCRIBE A SYSTEM OF ACCOUNTS.

12 (C) THE COMPTROLLER, OR THE COMPTROLLER'S LEGALLY AUTHORIZED REPRESENTATIVE,
13 IS HEREBY AUTHORIZED AND EMPOWERED FROM TIME TO TIME TO EXAMINE
14 THE BOOKS AND ACCOUNTS OF THE SUBSIDIARY CORPORATION INCLUDING ITS
15 RECEIPTS, DISBURSEMENTS, CONTRACTS, RESERVE FUNDS, SINKING FUNDS,
16 INVESTMENTS, AND ANY OTHER MATTERS RELATING TO ITS FINANCIAL STANDING.
17 SUCH AN EXAMINATION SHALL BE CONDUCTED BY THE COMPTROLLER AT LEAST ONCE
18 IN EVERY FIVE YEARS; THE COMPTROLLER IS AUTHORIZED, HOWEVER, TO ACCEPT
19 FROM THE SUBSIDIARY CORPORATION, IN LIEU OF SUCH AN EXAMINATION, AN
20 EXTERNAL EXAMINATION OF ITS BOOKS AND ACCOUNTS MADE AT THE REQUEST OF
21 THE SUBSIDIARY CORPORATION.

22 (D) THE SUBSIDIARY CORPORATION SHALL SUBMIT TO THE MAYOR, THE COMPTROLLER
23 AND THE CORPORATION WITHIN THIRTY DAYS OF THE RECEIPT THEREOF BY
24 THE SUBSIDIARY CORPORATION A COPY OF THE REPORT OF EVERY EXTERNAL EXAMINATION
25 OF THE BOOKS AND ACCOUNTS OF THE SUBSIDIARY CORPORATION OTHER
26 THAN COPIES OF THE REPORTS OF SUCH EXAMINATIONS MADE BY THE COMPTROLLER.

27 18. RENTALS. NOTWITHSTANDING THE PROVISIONS OF, OR ANY REGULATION
28 PROMULGATED PURSUANT TO LOCAL LAW, ALL DWELLING UNITS IN A MULTIPLE
29 DWELLING THE REHABILITATION OF WHICH COMMENCED AFTER JULY FIRST, TWO
30 THOUSAND THREE AND WHICH IS FINANCED BY A MORTGAGE LOAN INSURED BY THE
31 SUBSIDIARY CORPORATION (INCLUDING, BUT NOT LIMITED TO, MORTGAGE LOANS
32 INSURED PURSUANT TO MORTGAGE INSURANCE CONTRACTS AND HOUSING INSURANCE
33 CONTRACTS), EXCEPT FOR DWELLING UNITS OCCUPIED BY REASON OF OWNERSHIP OF
34 STOCK IN A COOPERATIVE AND EXCEPT FOR DWELLING UNITS THAT CONSTITUTE
35 CONDOMINIUMS, SHALL BE SUBJECT TO APPLICABLE PROVISIONS OF THIS CHAPTER,
36 FOR SUCH DWELLING UNITS TO BECOME EFFECTIVE ON THE BASIS OF SUCH REHABILITATION,
37 PROVIDED THAT ANY OCCUPANT IN POSSESSION OF A DWELLING UNIT
38 PURSUANT TO THIS SECTION SHALL BE OFFERED A TWO-YEAR LEASE NOTWITHSTANDING
39 ANY CONTRARY PROVISIONS OF, OR REGULATIONS ADOPTED PURSUANT TO THE
40 PROVISIONS OF THIS CHAPTER.

41 19. EMPLOYEES OF THE SUBSIDIARY CORPORATION. (A) NOTWITHSTANDING ANY
42 INCONSISTENT PROVISIONS OF THIS SECTION, THE APPOINTMENT AND PROMOTION
43 OF ALL EMPLOYEES OF AND FOR THE SUBSIDIARY CORPORATION SHALL BE MADE IN
44 ACCORDANCE WITH THE PROVISIONS OF THE CIVIL SERVICE LAW UNDER THE JURISDICTION
45 OF THE CITY CIVIL SERVICE COMMISSION AND THE COMPENSATION FOR
46 SUCH EMPLOYEES SHALL BE FIXED BY THE SUBSIDIARY CORPORATION.

47 (B) THE CITY, THE CORPORATION AND THE PREDECESSOR CORPORATION SHALL
48 HAVE THE POWER TO PROVIDE FOR THE TRANSFER TO THE SUBSIDIARY CORPORATION
49 OF AGENTS, EMPLOYEES AND FACILITIES OF THE CITY, THE CORPORATION OR THE
50 PREDECESSOR CORPORATION, AS THE CASE MAY BE, TO ENABLE THE SUBSIDIARY
51 CORPORATION TO FULFILL ITS CORPORATE PURPOSES. EMPLOYEES OF THE CITY,
52 THE CORPORATION OR THE PREDECESSOR CORPORATION TO BE TRANSFERRED TO THE
53 SUBSIDIARY CORPORATION PURSUANT TO THIS SECTION SHALL BE ELIGIBLE FOR
54 SUCH TRANSFER AND APPOINTMENT TO OFFICES AND POSITIONS OF THE SUBSIDIARY
55 CORPORATION WITHOUT FURTHER EXAMINATION, AND ALL SUCH EMPLOYEES WHO HAVE
56 BEEN APPOINTED TO POSITIONS IN CITY SERVICE IN ACCORDANCE WITH THE

1 PROVISIONS OF THE CIVIL SERVICE LAW UNDER THE RULES OF THE CITY CIVIL
2 SERVICE COMMISSION SHALL HAVE THE SAME STATUS WITH RESPECT THERETO IN
3 THE SERVICE OF THE SUBSIDIARY CORPORATION AS THEY HAD IN CITY SERVICE.
4 EMPLOYEES WHO ARE MEMBERS OR BENEFICIARIES OF ANY EXISTING PENSION OR
5 RETIREMENT SYSTEM SHALL CONTINUE TO HAVE SUCH RIGHTS, PRIVILEGES, OBLI-
6 GATIONS OR STATUS WITH RESPECT TO SUCH SYSTEM OR SYSTEMS AS ARE
7 PRESCRIBED BY LAW ON THE DATE THIS SECTION TAKES EFFECT, AND ALL SUCH
8 EMPLOYEES WHO HAVE BEEN APPOINTED TO POSITIONS IN CITY SERVICE IN
9 ACCORDANCE WITH THE PROVISIONS OF THE CIVIL SERVICE LAW UNDER THE RULES
10 OF THE CITY CIVIL SERVICE COMMISSION SHALL HAVE THE SAME STATUS WITH
11 RESPECT THERETO IN THE SERVICE OF THE CORPORATION AS THEY HAD IN CITY
12 SERVICE.

13 20. SUBSIDIARIES; HOW CREATED. (A) THE SUBSIDIARY CORPORATION BY
14 RESOLUTION MAY DIRECT ANY OF ITS MEMBERS, OFFICERS OR EMPLOYEES TO
15 ORGANIZE A SUBSIDIARY OF THE SUBSIDIARY CORPORATION WHENEVER, IN THE
16 SOLE DISCRETION OF THE SUBSIDIARY CORPORATION, IT HAS BECOME NECESSARY
17 TO ACQUIRE ONE OR MORE HOUSING ACCOMMODATIONS OR OTHER REAL PROPERTY IN
18 THE CASE OF SALE UNDER FORECLOSURE OR IN LIEU OF FORECLOSURE AND IT IS
19 BENEFICIAL TO EFFECTUATE THE PURPOSE OF THIS CHAPTER FOR THE SUBSIDIARY
20 OF THE SUBSIDIARY CORPORATION TO HOLD TITLE TO SUCH HOUSING ACCOMMO-
21 DATIONS OR OTHER REAL PROPERTY.

22 (B) EACH SUCH SUBSIDIARY OF THE SUBSIDIARY CORPORATION SHALL BE WHOLLY
23 OWNED BY THE SUBSIDIARY CORPORATION AND SHALL BE ORGANIZED PURSUANT TO
24 THE BUSINESS CORPORATION LAW, THE NOT-FOR-PROFIT CORPORATION LAW OR
25 ARTICLE TWO OR ARTICLE ELEVEN OF THIS CHAPTER.

26 (C) THE SUBSIDIARY CORPORATION MAY TRANSFER TO ANY SUBSIDIARY OF THE
27 SUBSIDIARY CORPORATION ANY MONEY, REAL AND/OR PERSONAL PROPERTY OR MAY
28 CONVEY TO IT ANY HOUSING ACCOMMODATION OR OTHER REAL PROPERTY IN ORDER
29 TO CARRY OUT THE PURPOSES OF THIS ARTICLE. EACH SUCH SUBSIDIARY OF THE
30 SUBSIDIARY CORPORATION SHALL HAVE ALL THE PRIVILEGES, IMMUNITIES, TAX
31 EXEMPTIONS AND OTHER EXEMPTIONS OF THE SUBSIDIARY CORPORATION TO THE
32 EXTENT THE SAME ARE NOT INCONSISTENT WITH THE STATUTE OR STATUTES PURSU-
33 ANT TO WHICH SUCH SUBSIDIARY OF THE SUBSIDIARY CORPORATION WAS INCORPO-
34 RATED. EXCEPT AS MAY BE INCONSISTENT WITH THE PROVISIONS OF THIS ARTI-
35 CLE, SUCH SUBSIDIARY, IF ORGANIZED PURSUANT TO ARTICLE TWO OR ARTICLE
36 ELEVEN OF THIS CHAPTER, SHALL HAVE ALL THE RIGHTS AND POWERS GRANTED TO
37 HOUSING COMPANIES BY THIS CHAPTER AND BY ANY OTHER STATUTE PURSUANT TO
38 WHICH SUCH SUBSIDIARY OF THE SUBSIDIARY CORPORATION WAS ORGANIZED.

39 (D) NO MEMBER OR OFFICER OF THE SUBSIDIARY CORPORATION SHALL RECEIVE
40 ANY ADDITIONAL COMPENSATION, EITHER DIRECT OR INDIRECT, OTHER THAN
41 REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORM-
42 ANCE OF SUCH PERSON'S DUTIES, BY REASON OF SUCH PERSON SERVING AS A
43 MEMBER, DIRECTOR, TRUSTEE OR OFFICER OF ANY SUBSIDIARY OF THE SUBSIDIARY
44 CORPORATION.

45 S 708. NOTES AND BONDS OF THE CORPORATION. 1. (A) SUBJECT TO THE
46 PROVISIONS OF SECTION SEVEN HUNDRED TEN OF THIS ARTICLE, THE CORPORATION
47 SHALL HAVE POWER AND IS HEREBY AUTHORIZED TO ISSUE FROM TIME TO TIME ITS
48 NEGOTIABLE NOTES AND BONDS IN CONFORMITY WITH APPLICABLE PROVISIONS OF
49 THE UNIFORM COMMERCIAL CODE IN SUCH PRINCIPAL AMOUNT AS THE CORPORATION
50 SHALL DETERMINE TO BE NECESSARY TO PROVIDE SUFFICIENT FUNDS FOR ACHIEV-
51 ING ITS CORPORATE PURPOSES, INCLUDING THE MAKING OF MORTGAGE LOANS, THE
52 PAYMENT OF INTEREST ON NOTES AND BONDS OF THE CORPORATION, THE ESTAB-
53 LISHMENT OF RESERVES TO SECURE SUCH NOTES AND BONDS, AND THE PAYMENT OF
54 ALL OPERATING EXPENSES OF THE CORPORATION INCIDENT TO OR NECESSARY OR
55 CONVENIENT TO CARRY OUT ITS CORPORATE PURPOSES AND POWERS.

(B) THE CORPORATION SHALL HAVE THE POWER, FROM TIME TO TIME, TO ISSUE (I) NOTES TO RENEW NOTES AND (II) BONDS TO PAY NOTES, INCLUDING THE INTEREST THEREON AND, WHENEVER IT DEEMS REFUNDING EXPEDIENT, TO REFUND ANY BONDS BY THE ISSUANCE OF NEW BONDS, WHETHER THE BONDS TO BE REFUNDED HAVE OR HAVE NOT MATURED, AND TO ISSUE BONDS PARTLY TO REFUND BONDS THEN OUTSTANDING AND PARTLY FOR ANY OF ITS CORPORATE PURPOSES. THE REFUNDING BONDS MAY BE EXCHANGED FOR THE BONDS TO BE REFUNDED OR SOLD AND THE PROCEEDS APPLIED TO THE PURCHASE, REDEMPTION OR PAYMENT OF SUCH BONDS.

(C) EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED BY THE CORPORATION, EVERY ISSUE OF ITS NOTES AND BONDS SHALL BE GENERAL OBLIGATIONS OF THE CORPORATION PAYABLE OUT OF ANY REVENUES OF THE CORPORATION, SUBJECT ONLY TO ANY AGREEMENTS WITH THE HOLDERS OF PARTICULAR NOTES OR BONDS PLEDGING ANY PARTICULAR REVENUES.

2. THE NOTES AND BONDS SHALL BE AUTHORIZED BY RESOLUTION OR RESOLUTIONS OF THE CORPORATION, SHALL BEAR SUCH DATE OR DATES AND SHALL MATURE AT SUCH TIME OR TIMES AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE, EXCEPT THAT NO NOTE OR ANY RENEWAL THEREOF SHALL MATURE MORE THAN FIVE YEARS, AND IN THE CASE OF ANY NOTE OR ANY RENEWAL THEREOF ISSUED FOR THE PURPOSES OF MAKING MORTGAGE LOANS SHALL MATURE MORE THAN NINE YEARS, AFTER THE DATE OF ISSUE OF THE ORIGINAL NOTE AND NO BOND SHALL MATURE MORE THAN FIFTY YEARS FROM THE DATE OF ITS ISSUE. THE BONDS MAY BE ISSUED AS SERIAL BONDS PAYABLE IN ANNUAL INSTALLMENTS OR AS TERM BONDS OR AS A COMBINATION THEREOF. THE NOTES AND BONDS SHALL BEAR INTEREST AT SUCH RATE OR RATES, BE IN SUCH DENOMINATIONS, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY SUCH REGISTRATION PRIVILEGES, BE EXECUTED IN SUCH MANNER, BE PAYABLE IN SUCH MEDIUM OF PAYMENT, AT SUCH PLACE OR PLACES, AND BE SUBJECT TO SUCH TERMS OF REDEMPTION AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE. THE NOTES AND BONDS MAY BE SOLD BY THE CORPORATION AT PUBLIC OR PRIVATE SALE, AT SUCH PRICE OR PRICES AS THE CORPORATION SHALL DETERMINE; PROVIDED, HOWEVER, THAT THE CORPORATION SHALL CONSULT WITH THE COMPTROLLER AS TO THE TIMING OF ANY SALE; AND PROVIDED FURTHER THAT NO NOTES OR BONDS OF THE CORPORATION MAY BE SOLD AT A PRIVATE SALE UNLESS SUCH SALE AND THE TERMS THEREOF HAVE BEEN APPROVED IN WRITING BY (A) THE COMPTROLLER, WHERE SUCH SALE IS NOT TO THE COMPTROLLER, OR (B) THE DIRECTOR OF THE BUDGET, WHERE SUCH SALE IS TO THE COMPTROLLER.

3. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING ANY NOTES OR BONDS OR ANY ISSUE THEREOF MAY CONTAIN PROVISIONS, WHICH SHALL BE A PART OF THE CONTRACT OR CONTRACTS WITH THE HOLDERS THEREOF, AS TO:

(A) PLEDGING ALL OR ANY PART OF THE REVENUES TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE THEREOF, SUBJECT TO SUCH AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS AS MAY THEN EXIST;

(B) PLEDGING ALL OR ANY PART OF THE ASSETS OF THE CORPORATION, INCLUDING MORTGAGES AND OBLIGATIONS SECURING THE SAME, TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE OF NOTES OR BONDS, SUBJECT TO SUCH AGREEMENTS WITH NOTEHOLDERS OR BONDHOLDERS AS MAY THEN EXIST;

(C) THE USE AND DISPOSITION OF THE GROSS INCOME FROM MORTGAGES OWNED BY THE CORPORATION AND PAYMENT OF PRINCIPAL OF MORTGAGES OWNED BY THE CORPORATION;

(D) THE SETTING ASIDE OF RESERVES OR SINKING FUNDS AND THE REGULATION AND DISPOSITION THEREOF;

(E) LIMITATIONS ON THE PURPOSE TO WHICH THE PROCEEDS OF SALE OF NOTES OR BONDS MAY BE APPLIED AND PLEDGING SUCH PROCEEDS TO SECURE THE PAYMENT OF THE NOTES OR BONDS OR OF ANY ISSUE THEREOF;

1 (F) LIMITATIONS ON THE ISSUANCE OF ADDITIONAL NOTES OR BONDS; THE
2 TERMS UPON WHICH ADDITIONAL NOTES OR BONDS MAY BE ISSUED AND SECURED;
3 AND THE REFUNDING OF OUTSTANDING OR OTHER NOTES OR BONDS;

4 (G) THE PROCEDURE, IF ANY, BY WHICH THE TERMS OF ANY CONTRACT WITH
5 NOTEHOLDERS OR BONDHOLDERS MAY BE AMENDED OR ABROGATED, THE AMOUNT OF
6 NOTES OR BONDS THE HOLDERS OF WHICH MUST CONSENT THERETO, AND THE MANNER
7 IN WHICH SUCH CONSENT MAY BE GIVEN;

8 (H) LIMITATIONS ON THE AMOUNT OF MONEYS TO BE EXPENDED BY THE CORPO-
9 RATION FOR OPERATING EXPENSES OF THE CORPORATION;

10 (I) VESTING IN A TRUSTEE OR TRUSTEES SUCH PROPERTY, RIGHTS, POWERS AND
11 DUTIES IN TRUST AS THE CORPORATION MAY DETERMINE, WHICH MAY INCLUDE ANY
12 OR ALL OF THE RIGHTS, POWERS AND DUTIES OF THE TRUSTEE APPOINTED BY THE
13 BONDHOLDERS PURSUANT TO THIS ARTICLE, AND LIMITING OR ABROGATING THE
14 RIGHT OF THE BONDHOLDERS TO APPOINT A TRUSTEE UNDER THIS ARTICLE OR
15 LIMITING THE RIGHTS, POWERS AND DUTIES OF SUCH TRUSTEE;

16 (J) THE ACTS OR OMISSIONS TO ACT WHICH SHALL CONSTITUTE A DEFAULT IN
17 THE OBLIGATIONS AND DUTIES OF THE CORPORATION TO THE HOLDERS OF THE
18 NOTES OR BONDS AND PROVIDING FOR THE RIGHTS AND REMEDIES OF THE HOLDERS
19 OF THE NOTES OR BONDS IN THE EVENT OF SUCH DEFAULT, INCLUDING THE RIGHT
20 TO APPOINTMENT OF A RECEIVER; PROVIDING, HOWEVER, THAT SUCH RIGHTS AND
21 REMEDIES SHALL NOT BE INCONSISTENT WITH THE GENERAL LAWS OF THE STATE
22 AND THE OTHER PROVISIONS OF THIS ARTICLE;

23 (K) ANY OTHER MATTERS, OF LIKE OR DIFFERENT CHARACTER, WHICH IN ANY
24 WAY AFFECT THE SECURITY OR PROTECTION OF THE HOLDERS OF THE NOTES OR
25 BONDS.

26 4. ANY RESOLUTION OR RESOLUTIONS AUTHORIZING ANY NOTES OR BONDS OR ANY
27 ISSUE THEREOF SHALL CONTAIN PROVISIONS, WHICH SHALL BE A PART OF THE
28 CONTRACT OR CONTRACTS WITH THE HOLDERS THEREOF, ENSURING THAT NO MORT-
29 GAGE LOAN SHALL BE MADE BY THE CORPORATION FROM THE PROCEEDS OF SUCH
30 NOTES OR BONDS OR ISSUE THEREOF UNLESS THE ESTIMATED REVENUES FROM THE
31 MORTGAGED PROPERTY, INCLUDING ANY SUBSIDIES, SHALL BE SUFFICIENT IN
32 AMOUNT TO SECURE REPAYMENT OF THE LOAN AND THE INTEREST THEREON AND TO
33 PAY ALL OTHER NECESSARY EXPENSES OF THE MORTGAGOR RELATING TO SUCH PROP-
34 ERTY.

35 5. ANY PLEDGE MADE BY THE CORPORATION SHALL BE VALID AND BINDING FROM
36 THE TIME WHEN THE PLEDGE IS MADE; THE REVENUES OR PROPERTY SO PLEDGED
37 AND THEREAFTER RECEIVED BY THE CORPORATION SHALL IMMEDIATELY BE SUBJECT
38 TO THE LIEN OF SUCH PLEDGE WITHOUT ANY PHYSICAL DELIVERY THEREOF OR
39 FURTHER ACT, AND THE LIEN OF ANY SUCH PLEDGE SHALL BE VALID AND BINDING
40 AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT OR
41 OTHERWISE AGAINST THE CORPORATION, IRRESPECTIVE OF WHETHER SUCH PARTIES
42 HAVE NOTICE THEREOF. NEITHER THE RESOLUTION NOR ANY OTHER INSTRUMENT BY
43 WHICH A PLEDGE IS CREATED NEED BE RECORDED.

44 6. NEITHER THE MEMBERS OF THE CORPORATION NOR ANY OTHER PERSON EXECUT-
45 ING SUCH NOTES OR BONDS SHALL BE SUBJECT TO ANY PERSONAL LIABILITY OR
46 ACCOUNTABILITY BY REASON OF THE ISSUANCE THEREOF.

47 7. THE CORPORATION, SUBJECT TO SUCH AGREEMENTS WITH NOTEHOLDERS OR
48 BONDHOLDERS AS MAY THEN EXIST, SHALL HAVE POWER OUT OF ANY FUNDS AVAIL-
49 ABLE THEREFOR, TO PURCHASE NOTES OR BONDS OF THE CORPORATION, WHICH
50 SHALL THEREUPON BE CANCELLED, AT A PRICE NOT EXCEEDING:

51 (A) IF THE NOTES OR BONDS ARE THEN REDEEMABLE, THE REDEMPTION PRICE
52 THEN APPLICABLE PLUS ACCRUED INTEREST TO THE NEXT INTEREST PAYMENT DATE
53 THEREON, OR

54 (B) IF THE NOTES OR BONDS ARE NOT THEN REDEEMABLE, THE REDEMPTION
55 PRICE APPLICABLE ON THE FIRST DATE AFTER SUCH PURCHASE UPON WHICH THE

1 NOTES OR BONDS BECOME SUBJECT TO REDEMPTION PLUS ACCRUED INTEREST TO
2 SUCH DATE.

3 8. IN THE DISCRETION OF THE CORPORATION, THE BONDS MAY BE SECURED BY A
4 TRUST INDENTURE BY AND BETWEEN THE CORPORATION AND A CORPORATE TRUSTEE,
5 WHICH MAY BE ANY TRUST COMPANY OR BANK HAVING THE POWERS OF A TRUST
6 COMPANY IN THE STATE. SUCH TRUST INDENTURE MAY CONTAIN SUCH PROVISIONS
7 FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF THE BONDHOLDERS
8 AS MAY BE REASONABLE AND PROPER AND NOT IN VIOLATION OF LAW, INCLUDING
9 COVENANTS SETTING FORTH THE DUTIES OF THE CORPORATION IN RELATION TO THE
10 EXERCISE OF ITS CORPORATE POWERS AND THE CUSTODY, SAFEGUARDING AND
11 APPLICATION OF ALL MONEYS. THE CORPORATION MAY PROVIDE BY SUCH TRUST
12 INDENTURE FOR THE PAYMENT OF THE PROCEEDS OF THE BONDS AND THE REVENUES
13 TO THE TRUSTEE UNDER SUCH TRUST INDENTURE OR OTHER DEPOSITORY, AND FOR
14 THE METHOD OF DISBURSEMENT THEREOF, WITH SUCH SAFEGUARDS AND
15 RESTRICTIONS AS IT MAY DETERMINE. ALL EXPENSES INCURRED IN CARRYING OUT
16 SUCH TRUST INDENTURE MAY BE TREATED AS A PART OF THE OPERATING EXPENSES
17 OF THE CORPORATION. IF THE BONDS SHALL BE SECURED BY A TRUST INDENTURE,
18 THE BONDHOLDERS SHALL HAVE NO AUTHORITY TO APPOINT A SEPARATE TRUSTEE TO
19 REPRESENT THEM.

20 9. WHETHER OR NOT THE NOTES AND BONDS ARE OF SUCH FORM AND CHARACTER
21 AS TO BE NEGOTIABLE INSTRUMENTS UNDER THE TERMS OF THE UNIFORM COMMER-
22 CIAL CODE, THE NOTES AND BONDS ARE HEREBY MADE NEGOTIABLE INSTRUMENTS
23 WITHIN THE MEANING OF AND FOR ALL THE PURPOSES OF THE UNIFORM COMMERCIAL
24 CODE, SUBJECT ONLY TO THE PROVISIONS OF THE NOTES AND BONDS FOR REGIS-
25 TRATION.

26 S 709. AUTHORIZATION OF CONTRACTS FOR TAXATION BY THE UNITED STATES OF
27 INTEREST ON OBLIGATIONS GUARANTEED THEREBY. THE CORPORATION IS HEREBY
28 AUTHORIZED AND EMPOWERED, FROM TIME TO TIME AND AT ANY TIME TO ENTER
29 INTO A CONTRACT OR CONTRACTS WITH THE UNITED STATES, ACTING THROUGH ANY
30 DEPARTMENT, OFFICER, AGENCY, OR INSTRUMENTALITY THEREOF, (A) PURSUANT TO
31 WHICH THE UNITED STATES (I) UNCONDITIONALLY GUARANTEES THE PAYMENT, WHEN
32 DUE, OF THE INTEREST ON, AND THE PRINCIPAL OF, BONDS, NOTES, OR OTHER
33 OBLIGATIONS ISSUED OR TO BE ISSUED BY THE CORPORATION OR (II) PAYS A
34 PORTION OF THE INTEREST PAYABLE ON SUCH BONDS, NOTES, OR OTHER OBLI-
35 GATIONS ISSUED OR TO BE ISSUED BY THE CORPORATION AND (B) IN CONSIDER-
36 ATION OF WHICH THE CORPORATION COVENANTS AND CONSENTS THAT THE INTEREST
37 ON SUCH BONDS, NOTES, OR OTHER OBLIGATIONS SHALL BE INCLUDIBLE UNDER THE
38 INTERNAL REVENUE CODE OF NINETEEN HUNDRED FIFTY-FOUR OR ANY SUBSEQUENT
39 CORRESPONDING INTERNAL REVENUE LAW OF THE UNITED STATES IN THE GROSS
40 INCOME OF THE HOLDER OR HOLDERS OF SUCH BONDS, NOTES, OR OTHER OBLI-
41 GATIONS TO THE SAME EXTENT AND IN THE SAME MANNER THAT THE INTEREST ON
42 BILLS, BONDS, NOTES OR OTHER OBLIGATIONS OF THE UNITED STATES IS INCLU-
43 DIBLE IN THE GROSS INCOME OF THE HOLDER OR HOLDERS THEREOF UNDER SAID
44 INTERNAL REVENUE CODE OR ANY SUCH SUBSEQUENT LAW. THE CORPORATION IS
45 HEREBY FURTHER AUTHORIZED AND EMPOWERED TO INCLUDE IN SUCH BONDS, NOTES,
46 OR OTHER OBLIGATIONS AND ANY DOCUMENTS RELATED THERETO SUCH REFERENCE
47 TO, OR SUMMARY OF, THE CONTRACT OR CONTRACTS AS SHALL BE SATISFACTORY TO
48 SUCH DEPARTMENT, OFFICER, AGENCY, OR INSTRUMENTALITY OF THE UNITED
49 STATES. THE POWERS HEREIN CONFERRED SHALL BE IN ADDITION TO THE POWERS
50 CONFERRED BY ANY OTHER LAW AND SUCH POWERS SHALL NOT BE SUBJECT TO THE
51 LIMITATIONS OR RESTRICTIONS OF ANY OTHER LAW, BUT NOTHING CONTAINED
52 HEREIN OR IN ANY SUCH CONTRACT OR CONTRACTS SHALL BE CONSTRUED TO COVEN-
53 ANT OR CONSENT, OR TO AUTHORIZE ANY COVENANT OR CONSENT, TO THE APPLICA-
54 TION OF ANY OTHER PROVISION OF ANY OTHER LAW, FEDERAL OR STATE, TO THE
55 CORPORATION OR TO SUCH BONDS, NOTES, OR OTHER OBLIGATIONS, OR TO THE
56 ELIMINATION OR MODIFICATION IN ANY WAY OF ANY OTHER EXEMPTION (INCLUDING

1 WITHOUT LIMITATION EXEMPTION FROM TAXATION UNDER SECTION SEVEN HUNDRED
2 SEVENTEEN OF THIS ARTICLE), PRIVILEGE, OR IMMUNITY THEREOF.

3 S 710. RESERVE FUNDS AND APPROPRIATIONS. 1. (A) THE CORPORATION SHALL
4 CREATE AND ESTABLISH SPECIAL FUNDS (REFERRED TO IN THIS SECTION AS CAPI-
5 TAL RESERVE FUNDS) AND SHALL PAY INTO SUCH A CAPITAL RESERVE FUND (I)
6 ANY MONEYS APPROPRIATED AND MADE AVAILABLE BY THE STATE OR CITY FOR THE
7 PURPOSE OF SUCH FUND, (II) ANY PROCEEDS OF SALE OF NOTES OR BONDS, TO
8 THE EXTENT PROVIDED IN THE RESOLUTION OR RESOLUTIONS OF THE CORPORATION
9 AUTHORIZING THE ISSUANCE THEREOF, AND (III) ANY OTHER MONEYS WHICH MAY
10 BE MADE AVAILABLE TO THE CORPORATION FOR THE PURPOSE OF SUCH FUND FROM
11 ANY OTHER SOURCE OR SOURCES. ALL MONEYS HELD IN A CAPITAL RESERVE FUND,
12 EXCEPT AS HEREINAFTER PROVIDED, SHALL BE USED, AS REQUIRED, SOLELY FOR
13 THE PAYMENT OF THE PRINCIPAL OF BONDS AS THE SAME MATURE OR THE ANNUAL
14 SINKING FUND PAYMENTS, THE PURCHASE OR REDEMPTION OF BONDS, THE PAYMENT
15 OF INTEREST ON BONDS OR THE PAYMENT OF ANY REDEMPTION PREMIUM REQUIRED
16 TO BE PAID WHEN SUCH BONDS ARE REDEEMED PRIOR TO MATURITY; PROVIDED,
17 HOWEVER, THAT MONEYS IN SUCH FUND SHALL NOT BE WITHDRAWN THEREFROM AT
18 ANY TIME IN SUCH AMOUNT AS WOULD REDUCE THE AMOUNT OF SUCH FUND TO LESS
19 THAN THE MAXIMUM CAPITAL RESERVE FUND REQUIREMENT, EXCEPT FOR THE
20 PURPOSES OF PAYING INTEREST ON BONDS, PRINCIPAL OF BONDS AND ANNUAL
21 SINKING FUND PAYMENTS, AS THE SAME BECOME DUE AND FOR THE PAYMENT OF
22 WHICH OTHER MONEYS OF THE CORPORATION ARE NOT AVAILABLE. ANY INCOME OR
23 INTEREST EARNED BY, OR INCREMENT TO, A CAPITAL RESERVE FUND DUE TO THE
24 INVESTMENT THEREOF OR ANY AMOUNT IN EXCESS OF THE MAXIMUM CAPITAL
25 RESERVE FUND REQUIREMENT MAY BE TRANSFERRED BY THE CORPORATION TO OTHER
26 FUNDS OR ACCOUNTS OF THE CORPORATION TO THE EXTENT IT DOES NOT REDUCE
27 THE AMOUNT OF SUCH CAPITAL RESERVE FUND BELOW THE MAXIMUM CAPITAL
28 RESERVE FUND REQUIREMENT.

29 (B) THE CORPORATION SHALL NOT ISSUE BONDS AT ANY TIME IF UPON ISSUANCE
30 THE AMOUNT IN THE CAPITAL RESERVE FUND WILL BE LESS THAN THE MAXIMUM
31 CAPITAL RESERVE FUND REQUIREMENT, UNLESS THE CORPORATION, AT THE TIME OF
32 ISSUANCE OF SUCH BONDS, SHALL DEPOSIT IN SUCH FUND FROM THE PROCEEDS OF
33 THE BONDS SO TO BE ISSUED, OR OTHERWISE, AN AMOUNT WHICH, TOGETHER WITH
34 THE AMOUNT THEN IN SUCH FUND, WILL NOT BE LESS THAN THE MAXIMUM CAPITAL
35 RESERVE FUND REQUIREMENT.

36 (C) NO BONDS OR NOTES OF THE CORPORATION SHALL BE ISSUED IF UPON SUCH
37 ISSUANCE THE AGGREGATE PRINCIPAL AMOUNT OF BONDS AND NOTES OF THE CORPO-
38 RATION THEN OUTSTANDING EXCEEDS THE LESSER OF THREE BILLION ONE HUNDRED
39 FIFTY MILLION DOLLARS OR SUCH AMOUNT AS WOULD CAUSE THE MAXIMUM CAPITAL
40 RESERVE FUND REQUIREMENT TO EXCEED EIGHTY-FIVE MILLION DOLLARS; PROVIDED
41 THAT, IN DETERMINING SUCH AGGREGATE PRINCIPAL AMOUNTS THERE SHALL BE
42 DEDUCTED (I) ALL SUMS THEN AVAILABLE FOR THE PAYMENT OF SUCH BONDS OR
43 NOTES EITHER AT MATURITY OR THROUGH THE OPERATION OF A SINKING FUND;
44 (II) THE AGGREGATE PRINCIPAL AMOUNT OF OUTSTANDING BONDS ISSUED (A) TO
45 REFUND NOTES AND (B) TO REFUND BONDS, THERETOFORE ISSUED AND THEN
46 OUTSTANDING; AND (III) THE AGGREGATE PRINCIPAL AMOUNT OF OUTSTANDING
47 NOTES ISSUED TO RENEW NOTES THERETOFORE ISSUED AND THEN OUTSTANDING. THE
48 PROVISIONS OF THE PRIOR SENTENCE NOTWITHSTANDING, THE CORPORATION SHALL
49 NOT ISSUE BONDS IF SUCH ISSUANCE SHALL CAUSE THE MAXIMUM RESERVE FUND
50 REQUIREMENT TO EXCEED THIRTY MILLION DOLLARS UNLESS PRIOR TO SUCH ISSU-
51 ANCE THE SENATE AND ASSEMBLY SHALL HAVE ADOPTED A CONCURRENT RESOLUTION
52 PASSED BY THE VOTES OF A MAJORITY OF ALL THE MEMBERS ELECTED TO EACH
53 SUCH HOUSE AND, SUBSEQUENT THERETO, THE GOVERNOR SHALL EVIDENCE IN WRIT-
54 ING THE GOVERNOR'S AGREEMENT WITH SUCH RESOLUTION TO THE CHAIRPERSON OF
55 THE CORPORATION, WHICH RESOLUTION SHALL BE IN FULL FORCE AND EFFECT ON
56 THE DATE OF ISSUANCE OF THE BONDS, PERMITTING THE MAXIMUM CAPITAL

1 RESERVE FUND REQUIREMENT TO EQUAL OR EXCEED THE AMOUNT OF THE MAXIMUM
2 CAPITAL RESERVE FUND REQUIREMENT WHICH WOULD BE EFFECTIVE UPON THE ISSU-
3 ANCE OF THE BONDS IN QUESTION, BUT IN NO EVENT, SHALL THE MAXIMUM CAPI-
4 TAL RESERVE FUND REQUIREMENT EXCEED EIGHTY-FIVE MILLION DOLLARS.

5 (D) IN COMPUTING THE AMOUNT OF A CAPITAL RESERVE FUND FOR THE PURPOSES
6 OF THIS SECTION, SECURITIES IN WHICH ALL OR A PORTION OF SUCH FUND SHALL
7 BE INVESTED SHALL BE VALUED AT PAR IF PURCHASED AT PAR OR IF PURCHASED
8 AT OTHER THAN PAR, AT AMORTIZED VALUE. AMORTIZED VALUE, WHEN USED WITH
9 RESPECT TO SECURITIES PURCHASED AT A PREMIUM ABOVE OR A DISCOUNT BELOW
10 PAR, SHALL MEAN THE VALUE AS OF ANY GIVEN DATE OBTAINED BY DIVIDING THE
11 TOTAL PREMIUM OR DISCOUNT AT WHICH SUCH SECURITIES WERE PURCHASED BY THE
12 NUMBER OF INTEREST PAYMENTS REMAINING TO MATURITY ON SUCH SECURITIES
13 AFTER SUCH PURCHASE AND BY MULTIPLYING THE AMOUNT SO CALCULATED BY THE
14 NUMBER OF INTEREST PAYMENT DATES HAVING PASSED SINCE THE DATE OF SUCH
15 PURCHASE; AND (I) IN THE CASE OF SECURITIES PURCHASED AT A PREMIUM BY
16 DEDUCTING THE PRODUCT THUS OBTAINED FROM THE PURCHASE PRICE, AND (II) IN
17 THE CASE OF SECURITIES PURCHASED AT A DISCOUNT BY ADDING THE PRODUCT
18 THUS OBTAINED TO THE PURCHASE PRICE.

19 (E) TO ASSURE THE CONTINUED OPERATION AND SOLVENCY OF THE CORPORATION
20 FOR THE CARRYING OUT OF ITS CORPORATE PURPOSES, PROVISION IS MADE IN
21 PARAGRAPH (A) OF THIS SUBDIVISION FOR THE ACCUMULATION IN EACH CAPITAL
22 RESERVE FUND OF AN AMOUNT EQUAL TO THE MAXIMUM CAPITAL RESERVE FUND
23 REQUIREMENT. IN ORDER TO FURTHER ASSURE SUCH MAINTENANCE OF EACH CAPITAL
24 RESERVE FUND, THERE SHALL BE PAID BY THE CITY TO THE CORPORATION FOR
25 DEPOSIT IN EACH CAPITAL RESERVE FUND ON OR BEFORE THE FIRST DAY OF
26 APRIL, IN EACH YEAR, SUCH AMOUNT, IF ANY, NEEDED FOR THE PURPOSE OF
27 RESTORING EACH SUCH CAPITAL RESERVE FUND TO THE MAXIMUM CAPITAL RESERVE
28 FUND REQUIREMENT FOR SUCH FUND, AS SHALL BE CERTIFIED BY THE CHAIRPERSON
29 OF THE CORPORATION TO THE MAYOR AND THE BUDGET DIRECTOR ON OR BEFORE THE
30 FIRST DAY OF DECEMBER NEXT PRECEDING; PROVIDED THAT ANY SUCH AMOUNT
31 SHALL HAVE BEEN FIRST APPROPRIATED BY OR ON BEHALF OF THE CITY FOR SUCH
32 PURPOSE OR SHALL HAVE BEEN OTHERWISE MADE AVAILABLE FROM THE PROCEEDS OF
33 NOTES OR BONDS OF THE CITY AUTHORIZED AND ISSUED PURSUANT TO THE LOCAL
34 FINANCE LAW FOR SUCH PURPOSE, WHICH IS HEREBY DETERMINED TO BE A SPECIF-
35 IC OBJECT OR PURPOSE HAVING A PERIOD OF PROBABLE USEFULNESS OF FIVE
36 YEARS. IN THE EVENT OF THE FAILURE OR INABILITY OF THE CITY TO PAY OVER
37 TO THE CORPORATION, IN FULL, ON OR BEFORE SUCH FIRST DAY OF APRIL THE
38 AMOUNT SO CERTIFIED THE CHAIRPERSON OF THE CORPORATION SHALL FORTHWITH
39 CERTIFY TO THE COMPTROLLER OF THE STATE OF NEW YORK THE AMOUNT REMAINING
40 UNPAID AND THEREUPON THE STATE COMPTROLLER SHALL PAY TO THE CORPORATION,
41 OUT OF THE FIRST MONEYS AVAILABLE FOR THE NEXT SUCCEEDING PAYMENTS OF
42 (I) STATE AID APPORTIONED TO THE CITY AS PER CAPITA AID FOR THE SUPPORT
43 OF LOCAL GOVERNMENT PURSUANT TO SECTION FIFTY-FOUR OF THE STATE FINANCE
44 LAW OR (II) SUCH OTHER AID OR ASSISTANCE PAYABLE BY THE STATE TO THE
45 CITY AND NOT OTHERWISE ALLOCATED AS SHALL SUPERSEDE OR SUPPLEMENT SUCH
46 STATE PER CAPITA AID, INCLUDING FEDERAL MONEYS APPORTIONED TO THE CITY
47 BY THE STATE, SUCH AMOUNT REMAINING UNPAID, AFTER GIVING WRITTEN NOTICE
48 TO THE BUDGET DIRECTOR OF EACH AMOUNT TO BE PAID OUT OF SUCH STATE AID,
49 UNTIL THE AMOUNT IN EACH SUCH CAPITAL RESERVE FUND IS RESTORED TO THE
50 MAXIMUM CAPITAL RESERVE FUND REQUIREMENT THEREOF; PROVIDED, HOWEVER,
51 THAT PRIOR TO THE ISSUANCE OF ANY NOTES OR BONDS OF THE CORPORATION
52 PURSUANT TO THIS ARTICLE THE CITY SHALL HAVE ENACTED A LOCAL LAW AUTHOR-
53 IZING PAYMENTS FROM SUCH SOURCES INTO SUCH A FUND SO LONG AS ANY NOTES
54 OR BONDS OF THE CORPORATION SHALL BE OUTSTANDING AND UNPAID. ANY AMOUNT
55 SO PAID OVER TO THE CORPORATION SHALL BE DEDUCTED FROM THE CORRESPONDING
56 APPORTIONMENT OF SUCH PER CAPITA STATE AID OTHERWISE PAYABLE TO THE

1 CITY, AND SHALL NOT OBLIGATE THE STATE TO MAKE NOR ENTITLE THE CITY TO
2 RECEIVE ANY ADDITIONAL APPORTIONMENT OR PAYMENT OF PER CAPITA STATE AID.
3 ALL AMOUNTS PAID OVER TO THE CORPORATION AS PROVIDED IN THIS PARAGRAPH,
4 INCLUDING AMOUNTS PAID BY THE STATE COMPTROLLER OUT OF PAYMENTS OF SUCH
5 STATE AID, SHALL CONSTITUTE AND BE ACCOUNTED FOR AS NON-INTEREST BEARING
6 LOANS BY THE CITY TO THE CORPORATION AND, SUBJECT, SUBORDINATE AND
7 JUNIOR TO THE RIGHTS OF THE HOLDERS OF ANY NOTES OR BONDS OF THE CORPO-
8 RATION THEREFORE OR THEREAFTER ISSUED, SHALL BE REPAYED TO THE CITY
9 FROM (A) MONEYS IN SUCH CAPITAL RESERVE FUND IN EXCESS OF THE MAXIMUM
10 CAPITAL RESERVE FUND REQUIREMENT THEREOF OR (B) ANY MONEYS OF THE CORPO-
11 RATION NOT REQUIRED FOR ANY OTHER OF ITS CORPORATE PURPOSES.

12 (F) IN THE EVENT THE CHAIRPERSON OF THE CORPORATION SHALL CERTIFY TO
13 THE MAYOR AND BUDGET DIRECTOR OR TO THE STATE COMPTROLLER ANY AMOUNT
14 NECESSARY TO RESTORE A CAPITAL RESERVE FUND TO THE MAXIMUM CAPITAL
15 RESERVE FUND REQUIREMENT THEREOF PURSUANT TO SUBDIVISION (E) OF THIS
16 SECTION, THE CHAIRPERSON SHALL SIMULTANEOUSLY DELIVER TO SUCH PERSONS A
17 STATEMENT OF THE CAUSE OR CAUSES OF SUCH CAPITAL RESERVE FUND DEFICIENCY
18 AND THE MEASURES TO BE TAKEN BY THE CORPORATION OR THE DIVISION OF RESI-
19 DENTIAL DEVELOPMENT TO INSURE REPAYMENT OF ANY LOANS MADE BY THE CITY TO
20 THE CORPORATION, INCLUDING AMOUNTS PAID BY THE STATE COMPTROLLER OUT OF
21 PAYMENTS OF STATE AID, FOR THE PURPOSE OF RESTORING SUCH CAPITAL RESERVE
22 FUND TO THE MAXIMUM CAPITAL RESERVE FUND REQUIREMENT THEREOF AND TO
23 PREVENT THE RECURRENCE OF ANY SUCH DEFICIENCY.

24 2. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION ONE OF THIS SECTION,
25 THE CORPORATION MAY ISSUE BONDS FOR ANY OF ITS CORPORATE PURPOSES, WITH-
26 OUT MAKING ANY DEPOSIT IN A CAPITAL RESERVE FUND AND THE PROVISIONS OF
27 SUBDIVISION ONE OF THIS SECTION SHALL NOT APPLY TO SUCH BONDS AND THE
28 PRINCIPAL OF AND INTEREST ON SUCH BONDS SHALL NOT BE PAYABLE FROM OR
29 SECURED BY ANY CAPITAL RESERVE FUND.

30 3. THE CORPORATION SHALL CREATE AND ESTABLISH SUCH OTHER FUND OR FUNDS
31 AS MAY BE NECESSARY OR DESIRABLE FOR ITS CORPORATE PURPOSES.

32 S 711. AGREEMENT WITH THE STATE. THE STATE DOES HEREBY PLEDGE TO AND
33 AGREE WITH THE HOLDERS OF ANY NOTES OR BONDS ISSUED UNDER THIS ARTICLE
34 THAT THE STATE WILL NOT LIMIT OR ALTER THE RIGHTS HEREBY VESTED IN THE
35 CORPORATION TO FULFILL THE TERMS OF ANY AGREEMENTS MADE WITH THE SAID
36 HOLDERS THEREOF, OR IN ANY WAY IMPAIR THE RIGHTS AND REMEDIES OF SUCH
37 HOLDERS UNTIL SUCH NOTES AND BONDS, TOGETHER WITH THE INTEREST THEREON,
38 WITH INTEREST ON ANY UNPAID INSTALLMENTS OF INTEREST, AND ALL COSTS AND
39 EXPENSES IN CONNECTION WITH ANY ACTION OR PROCEEDING BY OR ON BEHALF OF
40 SUCH HOLDERS, ARE FULLY MET AND DISCHARGED. THE CORPORATION IS AUTHOR-
41 IZED TO INCLUDE THIS PLEDGE AND AGREEMENT OF THE STATE IN ANY AGREEMENT
42 WITH THE HOLDERS OF SUCH NOTES OR BONDS.

43 S 712. STATE AND CITY NOT LIABLE ON NOTES AND BONDS. THE NOTES, BONDS
44 OR OTHER OBLIGATIONS OF THE CORPORATION SHALL NOT BE A DEBT OF EITHER
45 THE STATE OF NEW YORK OR OF THE CITY, AND NEITHER THE STATE NOR THE CITY
46 SHALL BE LIABLE THEREON, NOR SHALL THEY BE PAYABLE OUT OF ANY FUNDS
47 OTHER THAN THOSE OF THE CORPORATION; AND SUCH NOTES AND BONDS SHALL
48 CONTAIN ON THE FACE THEREOF A STATEMENT TO SUCH EFFECT.

49 S 713. CITY'S RIGHT TO REQUIRE REDEMPTION OF BONDS. NOTWITHSTANDING
50 AND IN ADDITION TO ANY PROVISIONS FOR THE REDEMPTION OF BONDS WHICH MAY
51 BE CONTAINED IN ANY CONTRACT WITH THE HOLDERS OF THE BONDS, THE CITY
52 MAY, UPON FURNISHING SUFFICIENT FUNDS THEREFOR, REQUIRE THE CORPORATION
53 TO REDEEM, PRIOR TO MATURITY, AS A WHOLE, ANY ISSUE OF BONDS ON ANY
54 INTEREST PAYMENT DATE NOT LESS THAN TWENTY YEARS AFTER THE DATE OF THE
55 BONDS OF SUCH ISSUE AT ONE HUNDRED FIVE PER CENTUM OF THEIR FACE VALUE
56 AND ACCRUED INTEREST OR AT SUCH LOWER REDEMPTION PRICE AS MAY BE

1 PROVIDED IN THE BONDS IN CASE OF THE REDEMPTION THEREOF AS A WHOLE ON
2 THE REDEMPTION DATE. NOTICE OF SUCH REDEMPTION SHALL BE PUBLISHED IN AT
3 LEAST TWO NEWSPAPERS PUBLISHED AND CIRCULATING IN THE CITY AT LEAST
4 TWICE, THE FIRST PUBLICATION TO BE AT LEAST THIRTY DAYS BEFORE THE DATE
5 OF REDEMPTION.

6 S 714. REMEDIES OF NOTEHOLDERS AND BONDHOLDERS. 1. IN THE EVENT THAT
7 THE CORPORATION SHALL DEFAULT IN THE PAYMENT OF PRINCIPAL OF OR INTEREST
8 ON ANY ISSUE OF NOTES OR BONDS AFTER THE SAME SHALL BECOME DUE, WHETHER
9 AT MATURITY OR UPON CALL FOR REDEMPTION, AND SUCH DEFAULT SHALL CONTINUE
10 FOR A PERIOD OF THIRTY DAYS, OR IN THE EVENT THAT THE CORPORATION SHALL
11 FAIL OR REFUSE TO COMPLY WITH THE PROVISIONS OF THIS ARTICLE, OR SHALL
12 DEFAULT IN ANY AGREEMENT MADE WITH THE HOLDERS OF ANY ISSUE OF NOTES OR
13 BONDS, THE HOLDERS OF TWENTY-FIVE PER CENTUM IN AGGREGATE PRINCIPAL
14 AMOUNT OF THE NOTES OR BONDS OF SUCH ISSUE THEN OUTSTANDING, BY INSTRU-
15 MENT OR INSTRUMENTS FILED IN THE OFFICE OF THE CLERK OF THE COUNTY OF
16 ERIE AND PROVED OR ACKNOWLEDGED IN THE SAME MANNER AS A DEED TO BE
17 RECORDED, MAY APPOINT A TRUSTEE TO REPRESENT THE HOLDERS OF SUCH NOTES
18 OR BONDS FOR THE PURPOSES PROVIDED IN THIS SECTION.

19 2. SUCH TRUSTEE MAY, AND UPON WRITTEN REQUEST OF THE HOLDERS OF TWEN-
20 TY-FIVE PER CENTUM IN PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS THEN
21 OUTSTANDING SHALL, IN SUCH TRUSTEE'S OWN NAME:

22 (A) BY SUIT, ACTION OR PROCEEDING IN ACCORDANCE WITH THE CIVIL PRAC-
23 TICE LAW AND RULES, ENFORCE ALL RIGHTS OF THE NOTEHOLDERS OR BONDHOLD-
24 ERS, INCLUDING THE RIGHT TO REQUIRE THE CORPORATION TO CARRY OUT ANY
25 AGREEMENT WITH SUCH HOLDERS AND TO PERFORM ITS DUTIES UNDER THIS ARTI-
26 CLE;

27 (B) BRING SUIT UPON SUCH NOTES OR BONDS;

28 (C) BY ACTION OR SUIT, REQUIRE THE CORPORATION TO ACCOUNT AS IF IT
29 WERE THE TRUSTEE OF AN EXPRESS TRUST FOR THE HOLDERS OF SUCH NOTES OR
30 BONDS;

31 (D) BY ACTION OR SUIT, ENJOIN ANY ACTS OR THINGS WHICH MAY BE UNLAWFUL
32 OR IN VIOLATION OF THE RIGHTS OF THE HOLDERS OF SUCH NOTES OR BONDS;

33 (E) DECLARE ALL SUCH NOTES OR BONDS DUE AND PAYABLE, AND IF ALL
34 DEFAULTS SHALL BE MADE GOOD, THEN, WITH THE CONSENT OF THE HOLDERS OF
35 TWENTY-FIVE PER CENTUM OF THE PRINCIPAL AMOUNT OF SUCH NOTES OR BONDS
36 THEN OUTSTANDING, ANNUL SUCH DECLARATION AND ITS CONSEQUENCES.

37 3. THE SUPREME COURT SHALL HAVE JURISDICTION OF ANY SUIT, ACTION OR
38 PROCEEDING BY THE TRUSTEE ON BEHALF OF SUCH NOTEHOLDERS OR BONDHOLDERS.
39 THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING SHALL BE LAID IN THE
40 COUNTY OF ERIE.

41 4. BEFORE DECLARING THE PRINCIPAL OF NOTES OR BONDS DUE AND PAYABLE,
42 THE TRUSTEE SHALL FIRST GIVE THIRTY DAYS' NOTICE IN WRITING TO THE
43 CORPORATION.

44 S 715. ASSISTANCE TO THE CORPORATION. THE STATE OR CITY MAY MAKE
45 GRANTS OF MONEY OR PROPERTY TO THE CORPORATION FOR THE PURPOSE OF ENABL-
46 ING IT TO CARRY OUT ITS CORPORATE PURPOSES AND FOR THE EXERCISE OF ITS
47 POWERS, INCLUDING, BUT NOT LIMITED TO, DEPOSITS TO THE RESERVE FUNDS.
48 THIS SECTION SHALL NOT BE CONSTRUED TO LIMIT ANY OTHER POWER THE STATE
49 OR CITY MAY HAVE TO MAKE SUCH GRANTS TO THE CORPORATION.

50 S 716. NOTES AND BONDS AS LEGAL INVESTMENTS. THE NOTES AND BONDS OF
51 THE CORPORATION ARE HEREBY MADE SECURITIES IN WHICH ALL PUBLIC OFFICERS
52 AND BODIES OF THIS STATE AND ALL MUNICIPALITIES AND MUNICIPAL SUBDIVI-
53 SIONS, ALL INSURANCE COMPANIES AND ASSOCIATIONS AND OTHER PERSONS CARRY-
54 ING ON AN INSURANCE BUSINESS, ALL BANKS, BANKERS, TRUST COMPANIES,
55 SAVINGS BANKS AND SAVINGS ASSOCIATIONS, INCLUDING SAVINGS AND LOAN ASSO-
56 CIATIONS, BUILDING AND LOAN ASSOCIATIONS, INVESTMENT COMPANIES AND OTHER

1 PERSONS CARRYING ON A BANKING BUSINESS, ALL ADMINISTRATORS, GUARDIANS,
2 EXECUTORS, TRUSTEES AND OTHER FIDUCIARIES, AND ALL OTHER PERSONS WHATSOEVER
3 WHO ARE NOW OR MAY HEREAFTER BE AUTHORIZED TO INVEST IN BONDS OR IN
4 OTHER OBLIGATIONS OF THE STATE, MAY PROPERLY AND LEGALLY INVEST FUNDS,
5 INCLUDING CAPITAL, IN THEIR CONTROL OR BELONGING TO THEM. THE NOTES AND
6 BONDS ARE ALSO HEREBY MADE SECURITIES WHICH MAY BE DEPOSITED WITH AND
7 MAY BE RECEIVED BY ALL PUBLIC OFFICERS AND BODIES OF THE STATE AND ALL
8 MUNICIPALITIES AND PUBLIC CORPORATIONS FOR ANY PURPOSE FOR WHICH THE
9 DEPOSIT OF BONDS OR OTHER OBLIGATIONS OF THE STATE IS NOW OR MAY HERE-
10 AFTER BE AUTHORIZED.

11 S 717. EXEMPTION FROM TAXATION. 1. THE PROPERTY OF THE CORPORATION AND
12 ITS INCOME AND OPERATIONS SHALL BE EXEMPT FROM TAXATION.

13 2. IT IS HEREBY DETERMINED THAT THE CREATION OF THE CORPORATION IS IN
14 ALL RESPECTS FOR THE BENEFIT OF THE PEOPLE OF THE STATE AND FOR THE
15 IMPROVEMENT OF THEIR HEALTH, SAFETY, WELFARE, COMFORT AND SECURITY, AND
16 THAT SAID PURPOSES ARE PUBLIC PURPOSES AND THAT THE CORPORATION WILL BE
17 PERFORMING AN ESSENTIAL GOVERNMENTAL FUNCTION IN THE EXERCISE OF THE
18 POWERS CONFERRED UPON IT BY THIS ARTICLE. THE STATE COVENANTS WITH THE
19 PURCHASERS AND ALL SUBSEQUENT HOLDERS AND TRANSFEREES OF NOTES AND BONDS
20 ISSUED BY THE CORPORATION, IN CONSIDERATION OF THE ACCEPTANCE OF AND
21 PAYMENT FOR THE NOTES AND BONDS, THAT THE NOTES AND BONDS OF THE CORPO-
22 RATION ISSUED PURSUANT TO THIS ARTICLE AND THE INCOME THEREFROM AND ALL
23 ITS FEES, CHARGES, GIFTS, GRANTS, REVENUES, RECEIPTS, AND OTHER MONEYS
24 RECEIVED OR TO BE RECEIVED, PLEDGED TO PAY OR SECURE THE PAYMENT OF SUCH
25 NOTES OR BONDS SHALL AT ALL TIMES BE FREE FROM TAXATION, EXCEPT FOR
26 ESTATE AND GIFT TAXES AND TAXES ON TRANSFERS. THE CORPORATION IS AUTHOR-
27 IZED TO INCLUDE THIS COVENANT OF THE STATE IN ANY AGREEMENT WITH THE
28 HOLDERS OF SUCH NOTES OR BONDS.

29 S 718. EMPLOYEES OF THE CORPORATION. 1. NOTWITHSTANDING ANY INCONSIST-
30 ENT PROVISIONS OF THIS CHAPTER, THE APPOINTMENT AND PROMOTION OF ALL
31 EMPLOYEES OF AND FOR THE CORPORATION SHALL BE MADE IN ACCORDANCE WITH
32 THE PROVISIONS OF THE CIVIL SERVICE LAW AND THE RULES OF THE CITY CIVIL
33 SERVICE COMMISSION AND THE COMPENSATION FOR SUCH EMPLOYEES SHALL BE
34 FIXED BY THE CORPORATION.

35 2. THE CITY AND THE CORPORATION SHALL HAVE THE POWER TO PROVIDE FOR
36 THE TRANSFER TO THE CORPORATION OF AGENTS, EMPLOYEES AND FACILITIES OF
37 THE CITY TO ENABLE THE CORPORATION TO FULFILL ITS CORPORATE PURPOSES.
38 EMPLOYEES OF THE CITY TO BE TRANSFERRED TO THE CORPORATION PURSUANT TO
39 THIS ARTICLE SHALL BE ELIGIBLE FOR SUCH USE IN OFFICES AND POSITIONS OF
40 THE CORPORATION WITHOUT FURTHER EXAMINATION, AND ALL SUCH EMPLOYEES WHO
41 HAVE BEEN APPOINTED TO POSITIONS IN CITY SERVICE IN ACCORDANCE WITH THE
42 PROVISIONS OF THE CIVIL SERVICE LAW UNDER THE RULES OF THE CITY CIVIL
43 SERVICE COMMISSION SHALL HAVE THE SAME STATUS WITH RESPECT THERETO IN
44 THE SERVICE OF THE CORPORATION AS THEY HAD IN CITY SERVICE. EMPLOYEES
45 WHO ARE MEMBERS OR BENEFICIARIES OF ANY EXISTING PENSION OR RETIREMENT
46 SYSTEM SHALL CONTINUE TO HAVE SUCH RIGHTS, PRIVILEGES, OBLIGATIONS OR
47 STATUS WITH RESPECT TO SUCH SYSTEM OR SYSTEMS AS ARE PRESCRIBED BY LAW
48 ON THE DATE THIS ARTICLE TAKES EFFECT, AND ALL SUCH EMPLOYEES WHO HAVE
49 BEEN APPOINTED TO POSITIONS IN CITY SERVICE IN ACCORDANCE WITH THE
50 PROVISIONS OF THE CIVIL SERVICE LAW UNDER THE RULES OF THE CITY CIVIL
51 SERVICE COMMISSION SHALL HAVE THE SAME STATUS WITH RESPECT THERETO IN
52 THE SERVICE OF THE CORPORATION AS THEY HAD IN CITY SERVICE.

53 S 719. ASSISTANCE BY THE DIVISION OF RESIDENTIAL DEVELOPMENT. THE
54 DIRECTOR OF THE DIVISION OF RESIDENTIAL DEVELOPMENT AND THE DIVISION OF
55 RESIDENTIAL DEVELOPMENT ARE HEREBY DESIGNATED TO ACT FOR AND IN BEHALF
56 OF THE CORPORATION IN SERVICING MORTGAGE LOANS OF THE CORPORATION, AND

1 SHALL PERFORM SUCH FUNCTIONS AND SERVICES IN CONNECTION WITH THE MAKING,
2 SERVICING AND COLLECTION OF SUCH LOANS AS SHALL BE REQUESTED BY THE
3 CORPORATION. THE CORPORATION SHALL PAY TO THE DIVISION OF RESIDENTIAL
4 DEVELOPMENT FROM ANY MONEYS OF THE CORPORATION AVAILABLE FOR SUCH
5 PURPOSES SUCH AMOUNTS AS ARE NECESSARY TO REIMBURSE THE DIVISION OF
6 RESIDENTIAL DEVELOPMENT FOR THE REASONABLE COST OF THE SERVICES
7 PERFORMED BY THE DIRECTOR OF THE DIVISION OF RESIDENTIAL DEVELOPMENT AND
8 BY THE DIVISION OF RESIDENTIAL DEVELOPMENT PURSUANT TO THIS SECTION.

9 S 720. MONEYS OF THE CORPORATION. 1. ALL MONEYS OF THE CORPORATION,
10 EXCEPT AS OTHERWISE AUTHORIZED OR PROVIDED IN THIS ARTICLE, SHALL BE
11 DEPOSITED AS SOON AS PRACTICABLE IN A SEPARATE ACCOUNT OR ACCOUNTS IN
12 BANKS OR TRUST COMPANIES ORGANIZED UNDER THE LAWS OF THE STATE OR
13 NATIONAL BANKING ASSOCIATION DOING BUSINESS IN THE CITY. THE MONEYS IN
14 SUCH ACCOUNTS SHALL BE PAID OUT ON CHECKS SIGNED BY SUCH OFFICER OR
15 EMPLOYEE OF THE CORPORATION AS THE CORPORATION SHALL AUTHORIZE. ALL
16 DEPOSITS OF SUCH MONEYS SHALL, IF REQUIRED BY THE CORPORATION, BE
17 SECURED BY OBLIGATIONS OF THE UNITED STATES OR OF THE STATE OR OF THE
18 CITY OF A MARKET VALUE EQUAL AT ALL TIMES TO THE AMOUNT OF THE DEPOSIT
19 AND ALL BANKS AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY
20 FOR SUCH DEPOSITS.

21 NOTWITHSTANDING THE PROVISIONS OF THIS SECTION, THE CORPORATION SHALL
22 HAVE POWER TO CONTRACT WITH THE HOLDERS OF ANY OF ITS NOTES OR BONDS AS
23 TO THE CUSTODY, COLLECTION, SECURING, INVESTMENT AND PAYMENT OF ANY
24 MONEYS OF THE CORPORATION AND OF ANY MONEYS HELD IN TRUST OR OTHERWISE
25 FOR THE PAYMENT OF NOTES OR BONDS, AND TO CARRY OUT SUCH CONTRACT.
26 MONEYS HELD IN TRUST OR OTHERWISE FOR THE PAYMENT OF NOTES OR BONDS OR
27 IN ANY WAY TO SECURE NOTES OR BONDS AND DEPOSITS OF SUCH MONEYS MAY BE
28 SECURED IN THE SAME MANNER AS MONEYS OF THE CORPORATION, AND ALL BANKS
29 AND TRUST COMPANIES ARE AUTHORIZED TO GIVE SUCH SECURITY FOR SUCH DEPOS-
30 ITS.

31 2. SUBJECT TO THE PROVISIONS OF ANY CONTRACT WITH NOTEHOLDERS AND
32 BONDHOLDERS AND THE APPROVAL OF THE COMPTROLLER, THE CORPORATION SHALL
33 PRESCRIBE A SYSTEM OF ACCOUNTS.

34 3. THE COMPTROLLER, OR HIS LEGALLY AUTHORIZED REPRESENTATIVE, IS HERE-
35 BY AUTHORIZED AND EMPOWERED FROM TIME TO TIME TO EXAMINE THE BOOKS AND
36 ACCOUNTS OF THE CORPORATION INCLUDING ITS RECEIPTS, DISBURSEMENTS,
37 CONTRACTS, RESERVE FUNDS, SINKING FUNDS, INVESTMENTS, AND ANY OTHER
38 MATTERS RELATING TO ITS FINANCIAL STANDING. SUCH AN EXAMINATION SHALL BE
39 CONDUCTED BY THE COMPTROLLER AT LEAST ONCE IN EVERY FIVE YEARS; THE
40 COMPTROLLER IS AUTHORIZED, HOWEVER, TO ACCEPT FROM THE CORPORATION, IN
41 LIEU OF SUCH AN EXAMINATION, AN EXTERNAL EXAMINATION OF ITS BOOKS AND
42 ACCOUNTS MADE AT THE REQUEST OF THE CORPORATION.

43 4. THE CORPORATION SHALL SUBMIT TO THE MAYOR AND THE COMPTROLLER WITH-
44 IN THIRTY DAYS OF THE RECEIPT THEREOF BY THE CORPORATION A COPY OF THE
45 REPORT OF EVERY EXTERNAL EXAMINATION OF THE BOOKS AND ACCOUNTS OF THE
46 CORPORATION OTHER THAN COPIES OF THE REPORTS OF SUCH EXAMINATIONS MADE
47 BY THE COMPTROLLER.

48 S 721. ACTIONS. 1. EXCEPT IN AN ACTION FOR WRONGFUL DEATH, IN ANY
49 CASE FOUNDED UPON TORT A NOTICE OF CLAIM SHALL BE REQUIRED AS A CONDI-
50 TION PRECEDENT TO THE COMMENCEMENT OF AN ACTION OR SPECIAL PROCEEDING
51 AGAINST THE CORPORATION, ANY OF ITS SUBSIDIARY CORPORATIONS, OR ANY
52 OFFICER, APPOINTEE OR EMPLOYEE THEREOF, AND THE PROVISIONS OF SECTION
53 FIFTY-E OF THE GENERAL MUNICIPAL LAW SHALL GOVERN THE GIVING OF SUCH
54 NOTICE. AN ACTION FOR WRONGFUL DEATH SHALL BE COMMENCED IN ACCORDANCE
55 WITH THE NOTICE OF CLAIM AND TIME LIMITATION PROVISIONS OF TITLE ELEVEN
56 OF ARTICLE NINE OF THE PUBLIC AUTHORITIES LAW.

1 2. EXCEPT AS MAY OTHERWISE BE EXPRESSLY PROVIDED BY THE CORPORATION,
2 THE CORPORATION SHALL NOT BE LIABLE FOR ANY DEBTS, LIABILITIES, OBLI-
3 GATIONS, AGREEMENTS, CONTRACTS OR COVENANTS OF ANY OF ITS SUBSIDIARY
4 CORPORATIONS. NO ACTION OR SPECIAL PROCEEDING OF ANY KIND MAY BE BROUGHT
5 AGAINST THE CORPORATION BY ANY PERSON HAVING CLAIMS AGAINST OR CONTRACTS
6 WITH ANY OF ITS SUBSIDIARY CORPORATIONS (INCLUDING ANY PREDECESSOR
7 CORPORATION OF ANY OF ITS SUBSIDIARY CORPORATIONS) IF THE CORPORATION
8 WAS NOT A PARTY TO THE MATTER GIVING RISE TO SUCH CLAIMS OR CONTRACTS.

9 S 722. ANNUAL REPORT. THE CORPORATION SHALL SUBMIT TO THE MAYOR, THE
10 COMPTROLLER AND THE BUDGET DIRECTOR WITHIN NINETY DAYS AFTER THE END OF
11 ITS FISCAL YEAR, A COMPLETE AND DETAILED REPORT SETTING FORTH: (1) ITS
12 OPERATIONS AND ACCOMPLISHMENTS; (2) ITS RECEIPTS AND EXPENDITURES DURING
13 SUCH FISCAL YEAR IN ACCORDANCE WITH THE CATEGORIES OR CLASSIFICATIONS
14 ESTABLISHED BY THE CORPORATION FOR ITS OPERATING AND CAPITAL OUTLAY
15 PURPOSES, INCLUDING A LISTING OF ALL PRIVATE CONSULTANTS ENGAGED BY THE
16 CORPORATION ON A CONTRACT BASIS AND A STATEMENT OF THE TOTAL AMOUNT PAID
17 TO EACH SUCH PRIVATE CONSULTANT; (3) ITS ASSETS AND LIABILITIES AT THE
18 END OF ITS FISCAL YEAR, INCLUDING A SCHEDULE OF ITS MORTGAGE LOANS AND
19 COMMITMENTS AND THE STATUS OF RESERVE, SPECIAL OR OTHER FUNDS; AND (4) A
20 SCHEDULE OF ITS NOTES AND BONDS OUTSTANDING AT THE END OF ITS FISCAL
21 YEAR, TOGETHER WITH A STATEMENT OF THE AMOUNTS REDEEMED AND INCURRED
22 DURING SUCH FISCAL YEAR.

23 S 723. SEVERABILITY. IF ANY SECTION, SUBDIVISION, PARAGRAPH, SENTENCE,
24 CLAUSE OR PROVISION OF THIS ARTICLE SHALL BE UNCONSTITUTIONAL OR INEF-
25 FECTIVE, IN WHOLE OR IN PART, TO THE EXTENT THAT IT IS NOT UNCONSTITU-
26 TIONAL OR INEFFECTIVE IT SHALL BE VALID AND EFFECTIVE AND NO OTHER
27 SECTION, SUBDIVISION, PARAGRAPH, SENTENCE, CLAUSE OR PROVISION SHALL ON
28 ACCOUNT THEREOF BE DEEMED INVALID OR INEFFECTIVE.

29 S 724. INCONSISTENT PROVISIONS IN OTHER LAWS SUPERSEDED. INSOFAR AS
30 THE PROVISIONS OF THIS ARTICLE ARE INCONSISTENT WITH THE PROVISIONS OF
31 ANY OTHER LAW, GENERAL, SPECIAL OR LOCAL, THE PROVISIONS OF THIS ARTICLE
32 SHALL BE CONTROLLING.

33 S 2. Subdivision 1-a of section 405 of the private housing finance
34 law, as added by chapter 599 of the laws of 1975, is amended to read as
35 follows:

36 1-a. Notwithstanding the provisions of subdivision one of this
37 section, and subject to the provisions of subdivision twenty of section
38 six hundred fifty-four OR SUBDIVISION TWENTY-THREE OF SECTION SEVEN
39 HUNDRED FOUR of this chapter, where the housing accommodations in any
40 multiple dwelling are aided pursuant to this article by a loan made by
41 the New York city housing development corporation OR THE BUFFALO HOUSING
42 DEVELOPMENT CORPORATION, maximum rents during the life of such loan
43 shall be prescribed by the agency and the rental rate may be varied by
44 the agency from time to time upon application by the owner or by the New
45 York city housing development corporation OR THE BUFFALO HOUSING DEVEL-
46 OPMENT CORPORATION so as to secure, together with all other income from
47 such property, sufficient income to meet within reasonable limits, all
48 necessary payments to be made by the owner of all expenses including
49 fixed charges, sinking funds, reserves and dividends.

50 S 3. Subdivisions 1 and 3 of section 407 of the private housing
51 finance law, subdivision 1 as amended by chapter 599 of the laws of 1975
52 and subdivision 3 as amended by chapter 449 of the laws of 1986, are
53 amended to read as follows:

54 1. One or more banking institutions, foundations, labor unions,
55 employers' associations, veterans' organizations, insurance companies,
56 trustees, fiduciaries or any combination of the foregoing, shall have

1 the power to participate and invest, singly or jointly, with a munici-
2 pality or the New York city housing development corporation OR THE
3 BUFFALO HOUSING DEVELOPMENT CORPORATION in a bond or note and single
4 participating mortgage, or in separate bonds or notes and mortgages
5 pursuant to and in accordance with the provisions of this article. As
6 used in this section, the terms "trustees" and "fiduciaries" shall
7 include any fiduciary or fiduciaries holding funds for investment.

8 3. Where one or more banking institutions, foundations, labor unions,
9 employers' associations, veterans' organizations, insurance companies,
10 trustees or fiduciaries participates and invests with a municipality or
11 the New York city housing development corporation OR THE BUFFALO HOUSING
12 DEVELOPMENT CORPORATION as provided in subdivision one OF THIS SECTION,
13 the interest of each need not be equal as to priority of lien, interest
14 rate, time or rate of amortization or otherwise.

15 S 4. Subdivision 2 of section 802 of the private housing finance law,
16 as amended by chapter 761 of the laws of 1985, is amended to read as
17 follows:

18 2. A municipality may utilize federal grant funds or state grant funds
19 or any municipal funds to finance its participation or investment in a
20 loan pursuant to this article. This subdivision shall not apply to any
21 participation in a loan by the New York city housing development corpo-
22 ration OR THE BUFFALO HOUSING DEVELOPMENT CORPORATION pursuant to
23 section eight hundred five of this article.

24 S 5. Section 805 of the private housing finance law, as added by chap-
25 ter 562 of the laws of 1977, is amended to read as follows:

26 S 805. Participation of New York city housing development corporation
27 OR BUFFALO HOUSING DEVELOPMENT CORPORATION. 1. The New York city hous-
28 ing development corporation may participate with one or more private
29 investors or with the city of New York or with both in making a loan
30 pursuant to the provisions of this article. Where such corporation
31 participates in making such a loan, the term municipality as used in
32 this article shall include such corporation with respect to such partic-
33 ipation.

34 2. THE BUFFALO HOUSING DEVELOPMENT CORPORATION MAY PARTICIPATE WITH
35 ONE OR MORE PRIVATE INVESTORS OR WITH THE CITY OF BUFFALO OR WITH BOTH
36 IN MAKING A LOAN PURSUANT TO THE PROVISIONS OF THIS ARTICLE. WHERE SUCH
37 CORPORATION PARTICIPATES IN MAKING SUCH A LOAN, THE TERM MUNICIPALITY AS
38 USED IN THIS ARTICLE SHALL INCLUDE SUCH CORPORATION WITH RESPECT TO SUCH
39 PARTICIPATION.

40 S 6. This act shall take effect on the one hundred twentieth day after
41 it shall have become a law.