§ 154.00 Disposition of proceeds resulting from the satisfaction of certain mortgages. a. Notwithstanding any general, special or local law to the contrary, upon the modification or satisfaction by the city of New York or the New York city housing development corporation, pursuant to section twenty-three-a, twenty-three-b or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law, of a mortgage loan made to a housing company, the entire proceeds resulting from such modification or satisfaction (not including any premium or differential referred to in section twenty-three-a or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law), less any fees, costs, expenses and other amounts paid or incurred by such city or corporation, shall be deposited in a reserve fund established for the purpose of retiring outstanding notes issued by such city and the proceeds therein shall be expended only for the payment of all or part of the said outstanding indebtedness. Notwithstanding any general, special or local law to the contrary, if the moneys in such fund shall exceed the sum of all principal of or interest on such indebtedness or if, when all such outstanding notes have been retired, any moneys remain unexpended in the reserve fund, such excess moneys may be used for any lawful municipal purpose.

b. As used in this section:

1. The term "fees, costs, expenses and other amounts" shall mean legal and other fees, costs, expenses and amounts described in subdivision four-b of section twenty-three-a or subdivision twenty-two-a of section six hundred fifty-four of the private housing finance law;

2. The term "housing company" shall mean a housing company organized pursuant to article two of the private housing finance law; and

3. The term "outstanding notes" shall mean revenue anticipation notes, tax anticipation notes and bond anticipation notes of the city of New York issued prior to November fourteenth, nineteen hundred seventy-five and presented for payment prior to January first, nineteen hundred seventy-eight, other than (i) notes paid by such city prior to the effective date of this paragraph, (ii) notes held by the municipal

assistance corporation for the city of New York (including but not limited to notes exchanged for bonds of such corporation), and (iii) notes with respect to which the holders thereof executed agreements to postpone or withhold demand for payment or enforcement of such notes.