§ 2429-b. Mortgage insurance fund. * 1. (a) The agency shall create and establish a mortgage insurance fund. Within such fund, the agency shall establish: (i) a special account, which shall be divided into sub-accounts for each region as defined in subdivision nine of section twenty-four hundred twenty-six of this title; (ii) a single family pool insurance account; (iii) a project pool insurance account; and (iv) a development corporation credit support account. The single family pool insurance account shall be used for all business relating to the insurance of mortgages on properties with one to four dwelling units, the project pool insurance account shall be used for all business relating to the insurance of mortgages on properties other than those with one to four dwelling units, and the development corporation credit support account shall be used for all business relating to development corporation credit support. Separate sub-accounts may be established within the special account, the pool insurance accounts, and the development corporation credit support account as deemed appropriate by the agency.

(b) (i) The mortgage insurance fund shall be used as a revolving fund for carrying out the provisions of this title with respect to mortgages insured and development corporation credit support, provided thereunder. (ii) The agency shall pay into such fund all moneys which may be made available to the agency for the purposes of such fund from any source, including but not limited to the moneys received from recording officers pursuant to the provisions of subdivision two of section two hundred sixty-one of the tax law. The agency shall credit the amount of moneys received from the recording officer of each county, pursuant to subdivision two of section two hundred sixty-one of the tax law, to the special account. In any fiscal year, no more than fifty per centum of the amount received from the recording officers during the consecutive twelve month period ending on the preceding March thirty-first may be used by the agency for the purpose of insuring mortgages on property located in any one region pursuant to section two thousand four hundred twenty-eight of this part, provided, however, that this provision shall not include or be applied to pool insurance of mortgage loans purchased by the agency. The agency shall credit any other moneys which may be made available to the agency for the purposes of such fund from any other source to the special account, the single family pool insurance

account, the project pool insurance account, or the development corporation credit support account, as appropriate. Any income or interest earned by, or increment to, the mortgage insurance fund due to the investment thereof shall be credited to the special account, the applicable pool insurance account, or the development corporation credit support account, as appropriate.

(c) The agency may credit from the special account to the single family pool insurance account, to the project pool insurance account and to the development corporation credit support account such moneys as are required to satisfy the mortgage insurance fund requirement of such accounts, except that during any twelve-month period ending on March thirty-first the aggregate amount credited to the development corporation credit support account (excluding amounts described in the last sentence of paragraph (b) of this subdivision) shall not exceed the lesser of (i) fifty million dollars or (ii) the aggregate of the amounts required under the contracts executed by the agency to provide development corporation support.

(d) Moneys, investments and cash equivalents of the special account, the single family pool insurance account, the project pool insurance account and the development corporation credit support account shall be kept separate and shall not be commingled with each other or with any other accounts which may be established from time to time, except as otherwise authorized by this section.

(e) Moneys, investments and cash equivalents of the pool insurance accounts and the development corporation credit support account shall be excluded from the excess balance calculation set forth in subdivision two of this section. However, if at any time the moneys, investments and cash equivalents (valued as determined by the agency) of either pool insurance account or the development corporation credit support account exceed the amount necessary to attain and maintain the credit rating or, with respect to development corporation credit support, credit worthiness (as determined by the agency) required to accomplish the purposes of such account the agency shall transfer such excess to the special account and such excess shall be included in the excess balance calculation.

* NB Effective until July 23, 2027

* 1. The agency shall create and establish a mortgage insurance fund.

Within such fund, the agency shall establish a special account, which shall be divided into sub-accounts for each region as defined in subdivision nine of section twenty-four hundred twenty-six of this part and a development corporation credit support account. The development corporation credit support account shall be used for all business related to development corporation credit support. Separate sub-accounts may be established within the development corporation credit support account as deemed appropriate by the agency. The mortgage insurance fund shall be used as a revolving fund for carrying out the provisions of this title with respect to mortgages insured and development corporation support provided thereunder. The agency shall pay into such fund all moneys which may be made available to the agency for the purposes of such fund from any source, including but not limited to the moneys received from recording officers pursuant to the provisions of subdivision two of section two hundred sixty-one of the tax law. The agency shall credit the amount of moneys received from the recording officer of each county, pursuant to subdivision two of section two hundred sixty-one of the tax law, to the special account. In any calendar year, no more than fifty per centum of the amount received from the recording officers and credited to the special account during the consecutive twelve month period ending on the preceding December thirty-first may be used by the agency for the purpose of insuring mortgages on property located in any one region pursuant to section two thousand four hundred twenty-eight of this part. The agency shall credit any other moneys which may be made available to the agency for the purposes of such fund from any other source to the special account or the development corporation credit support account, as appropriate. Any income or interest earned by, or increment to, the mortgage insurance fund due to the investment thereof shall be credited to the special account or the development corporation credit account, as appropriate.

* NB Effective July 23, 2027

* 1-a. All moneys held in the mortgage insurance fund, except as hereinafter provided, shall be used, as required, solely for the payment of the agency's liabilities arising from mortgages insured as provided in section twenty-four hundred twenty-nine-a of this part and from the provision of development corporation credit support as provided in section twenty-four hundred twenty-eight-a of this part; provided,

however, that no moneys shall be withdrawn from any account at any time in such amount as would reduce the amount of, as applicable, the special account, either pool insurance account or the development corporation credit support account to less than its applicable mortgage 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 agency are not available. All payments pursuant to section twenty-four hundred twenty-nine-a of this part, and expenses attributable thereto shall be debited to the special account or the single family pool insurance account or the project pool insurance account or the development corporation credit support account, as appropriate, within the mortgage insurance fund. All other operating expenses of the agency with respect to insurance of mortgages and providing development corporation credit support shall be debited to the special account, the single family pool insurance account, the project pool insurance account or the development corporation credit support account within the mortgage insurance fund, as appropriate.

* NB Effective until July 23, 2027

* 1-a. All moneys held in the mortgage insurance fund, except as hereinafter provided, shall be used, as required, solely for the payment of the agency's liabilities arising from mortgages insured as provided in section twenty-four hundred twenty-nine-a of this part and from the provision of development corporation credit support as provided in section twenty-four hundred twenty-eight-a of this part; provided, however, that no moneys shall be withdrawn from any account at any time in such amount as would reduce the amount of, as applicable, the special account or the development corporation credit support account to less than its applicable mortgage 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 agency are not available. All payments pursuant to section twenty-four hundred twenty-nine-a of this part, and expenses attributable thereto shall be debited to the special account or the development corporation credit support account within the mortgage insurance fund. All other operating expenses of the agency with respect to insurance of mortgages and providing development corporation credit support shall be debited to the special account or the development corporation credit support account within the mortgage

insurance fund, as appropriate.

* NB Effective July 23, 2027

2. On or before March twentieth in each year, the board of directors of the agency shall determine the amount estimated to be received by the agency from the additional tax imposed pursuant to subdivision one-a of section two hundred fifty-three of the tax law and deposited in the mortgage insurance fund and credited to the special account plus any other monies deposited in such account plus the amount of reserves available in such special account with respect to mortgage loans that were previously insured in accordance with section twenty-four hundred twenty-eight or development corporation credit support previously provided pursuant to section twenty-four hundred twenty-eight-a of this part under contracts or commitments that have been satisfied or cancelled, pursuant to subdivision one of this section, except charges and fees levied by the agency pursuant to section twenty-four hundred twenty-nine-c of this part, which shall be added in the computation only when such a commitment is cancelled or expires or when the insurance or contractual arrangement to provide development corporation credit support applied for is declared effective. Such determination made on or before March twentieth in each year shall be made for the consecutive twelve-month period ending on the subsequent March thirty-first. The board shall then determine the estimated excess balance, if any, in such special account by determining the amount by which such credits exceed twenty per centum, or such other per centums or amounts as may have been established by the board of directors of the agency pursuant to subdivision seven of section twenty-four hundred twenty-eight of this part, of the amounts insured or committed to be insured and the amounts of development corporation credit support established by the board of directors of the agency pursuant to section twenty-four hundred twenty-eight-a of this part to be provided during such twelve-month period plus any payments by the agency during such twelve-month period on account of a mortgage or development corporation credit support contract entered into during such twelve-month period ending on such March thirty-first, plus the operating expenses of the agency during such twelve-month period with respect to insurance of mortgages or provision of development corporation credit support, which amount may

not exceed an amount determined and certified by the director of the budget, with notification to the chairman of the senate finance committee and chairman of the assembly ways and means committee. On or before May fifteenth, the board shall determine any adjustment to the estimated excess balance necessary to reflect the variance, if any, between such estimated excess balance and the actual excess balance computed as of March thirty-first, and shall certify such adjustment to the director of the budget. The agency shall include such adjustment in the estimated excess balance determination for the following fiscal year, unless otherwise instructed by the director of the budget. The agency shall submit to the director of the budget an estimate of such operating expenses on or before the tenth business day in March of each year and the director of the budget shall make such certification before March twentieth of each year.

Upon making the determination of the estimated excess balance, the agency shall certify such determination to the director of the budget, the chairmen of the senate finance committee and the assembly ways and means committee, and the comptroller. Payment of such actual or estimated excess balance shall be made within ninety days after March twentieth. The agency shall, at the direction of the director of the budget, pay such estimated or actual excess balance, if any, from the special account to the comptroller for deposit to the state general fund; provided, however, that if the aggregate amount in the special account as of such date is less than the mortgage insurance fund requirement, the agency shall retain all or that portion of any such estimated or actual excess balance in such special account necessary to increase the aggregate amount in such special account to the mortgage insurance fund requirement. The director of the budget shall notify the chairmen of the senate finance committee and the assembly ways and means committee ten days prior to the issuance of the directive in respect to the payment of the estimated or actual excess balance to the general fund.

Further provided, however, that the budget to be submitted to the legislature by the governor pursuant to article seven of the constitution shall separately state the amount of such estimated or

actual excess balance determined as hereinabove prescribed, if any, which shall be included in the monies and revenues estimated to be available during the current and ensuing fiscal years, respectively.

3. The moneys in such fund shall be deposited in one or more banks or trust companies designated in the manner provided by law, as depositories of the funds of the state. The agency may invest the moneys in such fund in obligations specified in subdivision four of this section. Any interest earned or capital gain realized on the money so deposited or invested shall accrue to and become part of such fund. The separate identity of such fund shall be maintained whether its assets consist of cash or investments or both.

4. Moneys in such fund may be invested (a) in special time deposit accounts in, or certificates of deposit issued by, a bank, trust company, savings bank or savings and loan association located and authorized to do business in this state, provided, however, that such time deposit account or certificate of deposit shall be payable within such time as the proceeds may be needed to meet expenditures estimated to be incurred by the agency and provided further that such time deposit account or certificate of deposit be secured by a pledge of obligations of the United States of America or obligations of the state, any city of the state, or other municipal corporation, school district or district corporation of the state or obligations of agencies of the federal government; or (b) in obligations of the United States of America or the state which may from time to time be legally purchased by savings banks within the state as an investment of funds belonging to them or in their control, or in obligations of the Federal National Mortgage Association, or (c) in Government National Mortgage Association mortgage backed securities, provided such obligations shall be payable or redeemable at the option of the owner within such times as the proceeds may be needed to meet expenditures estimated to be incurred by the agency.

5. In computing the amount of the mortgage insurance fund for the purposes of this section, securities in which all or a portion of such fund shall be invested shall be valued at par if purchased at par, or if purchased at other than par, at amortized value. Amortized value, when

used with respect to securities purchased at a premium above or a discount below par, shall mean the value as of any given date obtained by dividing the total premiums or discount at which such securities were purchased by the number of interest payments remaining to maturity on such securities after such purchase and by multiplying the amount so calculated by the number of interest payment dates having passed since the date of such purchase; and (i) in the case of securities purchased at a premium by deducting the product thus obtained from the purchase price, and (ii) in the case of securities purchased at a discount by adding the product thus obtained to the purchase price.

6. The agency may create and establish such other fund or funds as may be necessary or desirable for the carrying out of its corporate purposes.