



State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022

(212) 688-4000 • sonyma.ny.gov

Authorities Budget Office

July 24, 2025

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Via Overnight Mail

RECEIVED

The Honorable Thomas DiNapoli
Comptroller of the State of New York
110 State Street
Albany, New York 12236

The Honorable Carl E. Heastie
Speaker of the NYS Assembly
Legislative Office Building, Room 932
Albany, NY 12248

Mr. Blake Washington
Director, NYS Division of the Budget
State Capitol, Room 410
Albany, New York 12224

The Honorable Andrea Stewart-Cousins
President Pro Tem and Senate Majority
Leader
Legislative Office Building, Room 907
Albany, NY 12247

Ms. Jeanette Moy
Commissioner, Office of General Services
Corning Tower, 36th Floor
Empire State Plaza
Albany, NY 12242

Mr. Joshua Norkin
Director of the Authorities Budget Office
P.O. Box 2076
Albany, New York 12220

**Re: SONYMA's Mortgage Insurance Fund Revised Explanatory
Statement for Disposal by Negotiation**

Dear Sir or Madam:

We are providing this notice Pursuant to Public Authorities Law § 2897(6)(d)(i) and the Property Disposition Guidelines of State of New York Mortgage Agency ("SONYMA"), Paragraph 4(e)(iv).

SONYMA's Mortgage Insurance Fund ("MIF") is selling two defaulted loan notes that it acquired by paying final lump sum claims to the New York City Employees' Retirement System ("NYCERS") as follows:¹

1. \$9,000,000 for a \$11,500,000 mortgage secured by 19 collateral properties to Heritage, an experienced owner of affordable housing.² After purchasing the note from the MIF, Heritage will take a deed-in-lieu of foreclosure from CPE Equities, the current owner.

The fair market value of the note is \$9,000,000 and the expected transaction date is on or after October 23, 2025.

The MIF has paid 18 monthly periodic claims to NYCERS totaling \$1.8 million. The MIF's assumption and subsequent sale of the note will preserve \$28 million in New York City Department of Housing Preservation and Development ("HPD") subordinate debt, HPD's Regulatory Agreement, \$4 million in Housing Trust Fund Corporation ("HTFC") subordinate debt, HTFC's Regulatory Agreements and the Division of Housing and Community Renewal's low-income housing tax credits and its Regulatory Agreements. This will result in the preservation of 76 low-income units for the remaining terms of the HTFC and DHCR regulatory agreements (21 and 29 years, respectively, for the two DHCR/HTFC regulated parcels).

2. \$502,219 for a note with an unpaid principal balance of \$654,352.66 secured by collateral property to HPD. The sales price is based on 50% of the unpaid first-position loan principal balance plus 100% of the periodic insurance claims paid by the MIF to NYCERS totaling \$175,043.³ HPD will purchase the note to preserve over \$1,500,000 in subordinate debt on the properties, its regulatory agreement and affordability restrictions.

The fair market value of the note is \$327,176.33 and the expected transaction date is on or after October 23, 2025.

Respectfully,



Michael Friedman

Senior Vice President, Director of Mortgage Insurance Fund

¹ Note: both notes and mortgages are serviced by the Community Preservation Corporation ("CPC"). CPC sent information on both notes to five affordable housing investors, including Heritage Affordable Communities LLC ("Heritage").

² See Rider A for collateral property details.

³ See Rider B for collateral property details.

Rider A

Property Details for Transaction #1

Parcel #	Address	Tax Lot
1	1590 East 172 nd Street a/k/a 1261/1291 Stratford Avenue	Block 3776 Lot 44
2	940/942 Leggett Avenue	Block 2685 Lot 48
3	923/925 Union Avenue	Block 2668 Lot 33
4	1180 Forest Avenue a/k/a 750/756 East 168 th Street	Block 2662 Lot 10
5	1380 Prospect Avenue	Block 2971 Lot 10
6	1382 Prospect Avenue	Block 2971 Lot 12
7	1384 Prospect Avenue	Block 2971 Lot 14
8	1348/1364 Clinton Avenue a/k/a 658/660 Jefferson Place	Block 2934 Lot 23
9	1679 Popham Avenue a/k/a 160 West 176 th Street	Block 2877 Lot 268
10	1760/1762 Anthony Avenue	Block 2890 Lot 17
11	1764 Topping Avenue	Block 2799 Lot 18
12	1866 Loring Place a/k/a 1866 Loring Place South	Block 2879 Lot 68
13	1868 Loring Place a/k/a 1868 Loring Place South	Block 2879 Lot 69
14	2017 Grand Avenue	Block 2869 Lot 142
15	344 East 176 th Street	Block 2892 Lot 38
16	796 East 163 rd Street	Block 2668 Lot 30
17	970 Tinton Avenue	Block 2669 Lot 6
18	981 Union Avenue	Block 2669 Lot 47
19	445/451 East 171 st Street a/k/a 3810 Park Avenue	Block 2903 Lot 3

*Note: all parcels are in Bronx County

** Parcels 8 and 19 have HTFC subordinate debt and/or 9% DHCR Low Income Housing Tax Credits

Rider B

Property Details for Transaction #2

Parcel #	Address	Tax Lot
1	408 St. Marks Avenue	Block 1155; Lot 23
2	1602 Pacific Street	Block 1340; Lot 41, Unit 6

*Note: all parcels are in Kings County (Brooklyn)