The Community Preservation Corporation
Housing Partnership Mortgage Corporation
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THE COMMUNITY PRESERVATION CORPORATION
HOUSING PARTNERSHIP MORTGAGE CORPORATION

ANNUAL REPORT 1987

Contents

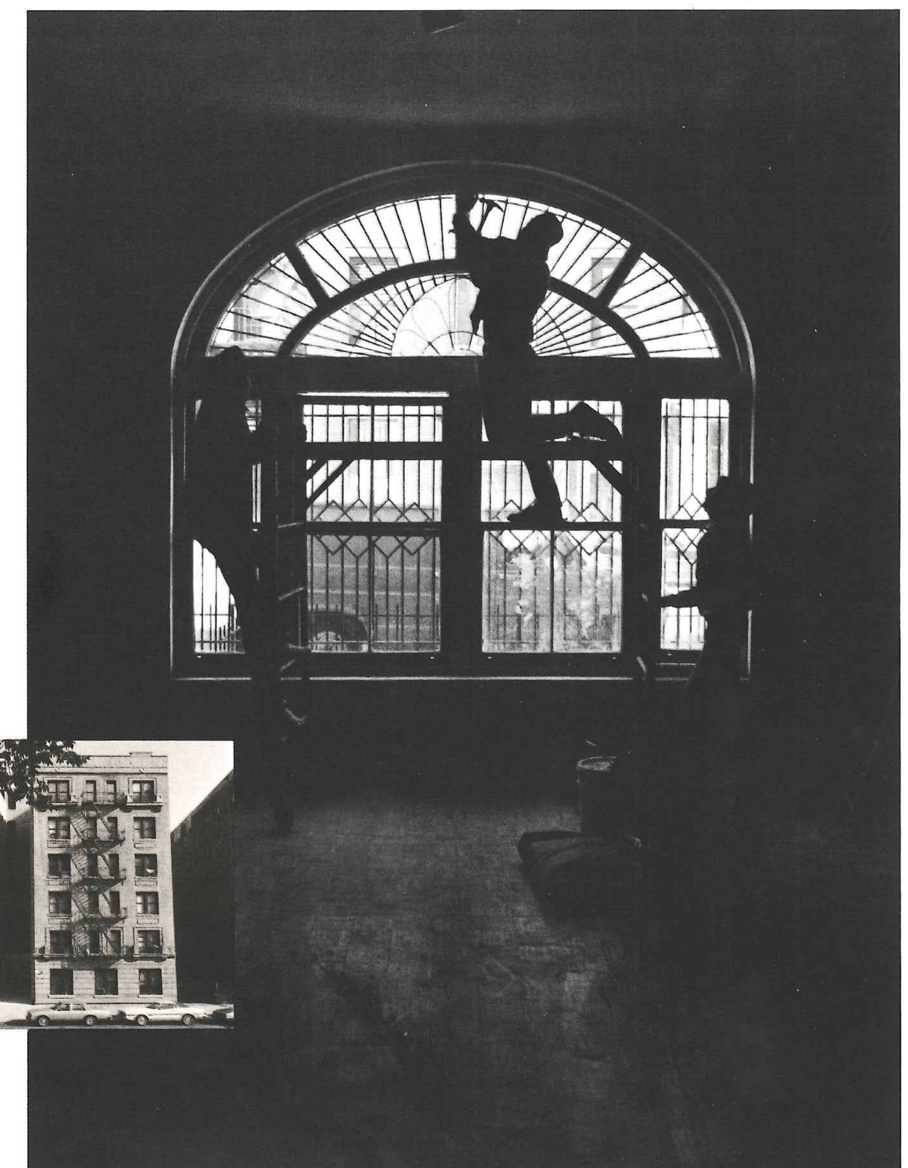
CPC
HPMC

HIGHLIGHTS

Highlights

Fiscal Year Performance 1986-1987		
Closed Construction Loans		
	CPC and Other Private Funds	**$ 23,182,205**
	Pension Funds (For Permanent Loans)	**7,233,861**
	Public Loan Funds	**17,400,307**
	Total	**$ 47,816,373**
Units (Construction Started)		
	Manhattan	**432**
	Bronx	**828**
	Brooklyn	**510**
	Total	**1,770**
HPMC Commitments for End-Loans		
	Total	**$ 39,881,000**
	Units	**434**
CPC Lending Record 1974-87		
	Closed Loans (379)	**$252,248,086**
	Apartment Units	**18,359**
	Foreclosures (2)*	**$ 930,870**

*CPC has two additional loans pending foreclosure, totaling $563,000. To date, CPC has incurred no losses due to foreclosures.



TO OUR MEMBERS

At the end of our 13th year–a year that marked the creation of our 18,300th apartment unit–we have established new directions for our future growth. Of the 1,770 units that went into construction this year, over 450 were units created from vacant structures or, a first for us, through new construction. We expect this emphasis on new units to become a high priority in the coming year.

This year also marks the formation of the Housing Partnership Mortgage Corporation (HPMC), a co-venture of The Community Preservation Corporation (CPC) and seven major New York-based insurance companies. In the first ten months of operation, HPMC committed almost $40 million to finance the purchase of condominiums built for moderate-income New Yorkers.

This expansion of CPC's activities mirrors the housing needs of New York. Most of the city's 2.2 million housing units are 50 years of age or older, and require substantial upgrading if they are to serve as habitable space into the 21st century. For most low- and moderate-income New Yorkers, rehabilitation of existing housing is the only affordable means to sound housing.

Yet New York City also requires new housing to keep pace with its economic growth. According to the Mayor's Commission on the Year 2000, over 372,000 housing units must be added to New York's inventory to accommodate the increases in jobs and population projected to occur over the next 12 years. But at current rates of construction, not even half those units will be available by the turn of the century. To help ease this housing shortage, we are increasing our efforts to develop a reproducible model for creating new units from vacant buildings and land.

CPC cannot by itself be the solution to the enormous problems posed by the city's housing needs. The role our sponsors envisioned for us to serve is as a catalyst. In this capacity, we have pioneered a well-defined model for housing preservation relying on a mix of private capital and modest public subsidies. The best example of this model is in Northern Manhattan, where we financed the rehabilitation of over 7,000 apartments, stemming the decline of an important neighborhood and preserving its housing without displacing its residents.

Similarly this year we participated with the city in the design of a program to create new housing from vacant buildings selected from the inventory of 60,000 city-owned units. By (1) combining CPC funds with a city subsidy of up to $43,000 per apartment and (2) working with small, cost-efficient developers, we are able to produce housing affordable to households earning less than $25,000 a year. We hope to work with the city on a similar program for affordable new construction on city-owned vacant land.

We believe that over the next year the achievement of one of our principal goals will be within reach. We are putting in place the basis for encouraging wider institutional participation in the origination of the kinds of loans we have pioneered. Building on the practices of the national secondary markets, CPC and HPMC will standardize their lending products and make available guidebooks to assist other lenders in originating these loans. Such loans will then be eligible for CPC and HPMC permanent financing. We look forward to expanding our permanent financing resources to strengthen this effort.

By itself, private capital cannot provide affordable housing. Whether created through rehabilitation or new construction, affordable housing requires important public actions and subsidies. Though never popular, rent increases are necessary to pay for the costs of rehabilitating occupied housing. Government subsidies are needed to pay rent increases for those who cannot afford to do so themselves. As the history of New York's housing in the 1960s and 1970s shows us, failure to address these twin needs of housing preservation will risk the need for far costlier and disruptive solutions in the future.

New units, particularly in marginal areas, also depend on public actions and subsidies. Speedy disposition of vacant city-owned buildings or land, linked with flexible subsidies, promises to be an important source of new housing. In addition, real estate tax benefits that support this housing must be certain in advance of construction if they are to leverage the private financing necessary for such projects.

Finally, if the use of these programs is to keep pace with the city's needs, the procedures must be simple enough to encourage the participation of small, low-cost developers–the typical owners in New York's moderate-income neighborhoods. Efficient processing and the removal of administrative complexities will also encourage broader participation among lenders, thereby making financing for low- and moderate-income housing development a routine, not an extraordinary, event.

As we close the year, we would like to express our gratitude for the leadership of our former chairman, Francis L. Bryant, Jr., who has retired from our board. In addition, we extend our appreciation for outstanding service to three retiring mortgage committee members: Michael Wechsler, who has been with CPC from its beginnings, and to Peter Underwood, who has served on the committee since 1978, and William Wright, who has served since 1981. The soundness of CPC's lending practices is their legacy to our corporation.

As we confront the future, we understand the challenge ahead. Our efforts to create a system of affordable housing will only work if the underlying public components provide reliable support for private financing. Without such support, even the most serious preservation and redevelopment efforts will fail to meet the needs of our city. With support, private capital and city programs can rebuild New York. That is the future New York City deserves.

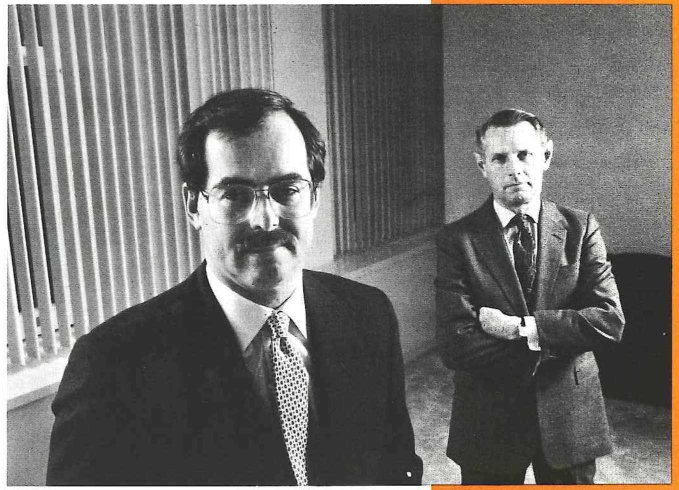
Jeffrey R. Grandy
Chairman
The Community Preservation Corporation

Glen E. Coverdale
Chairman
Housing Partnership Mortgage Corporation

Donald L. Thomas
Chairman of the Executive Committee
The Community Preservation Corporation and HPMC

Michael D. Lappin
President
The Community Preservation Corporation and HPMC

December 17, 1987



Glen E. Coverdale (right) is Chairman of HPMC. Michael D. Lappin (left) is President of CPC and HPMC.

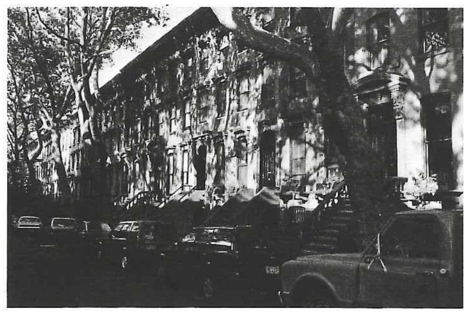
Donald L. Thomas (right) is Chairman of the Executive Committee, CPC and HPMC. Jeffrey R. Grandy (left) is Chairman of CPC.

THE CITY

CPC AND THE CITY

The Community Preservation Corporation (CPC) is a partnership between New York City's banking community and the public sector formed to address the housing problems of low-and moderate-income neighborhoods. Initiated by 12 major commercial banks and 27 major savings banks in 1974, CPC has financed the upgrading and development of over 18,300 housing units representing an investment of over $250 million. This has occurred with virtually no foreclosures.

CPC has been successful in a city that has been characterized as having the most profound housing crisis in the United States. Its financing of housing preservation has been a cornerstone in the rejuvenation of several of the city's older neighborhoods. Upgrading has occurred without displacing existing residents or altering the ethnic and economic diversity that makes New York City neighborhoods unique and alive.



CPC grew out of a 1973 task force study of the commercial banks examining how New York's financial institutions could work with government to stem the decline of the city's older neighborhoods. With 60% of the city's housing stock 50 years old or older, and with limited resources to finance the upgrading of buildings, New York's once solid neighborhoods were declining rapidly. During much of the 1970s, the city lost over 25,000 housing units a year to abandonment.

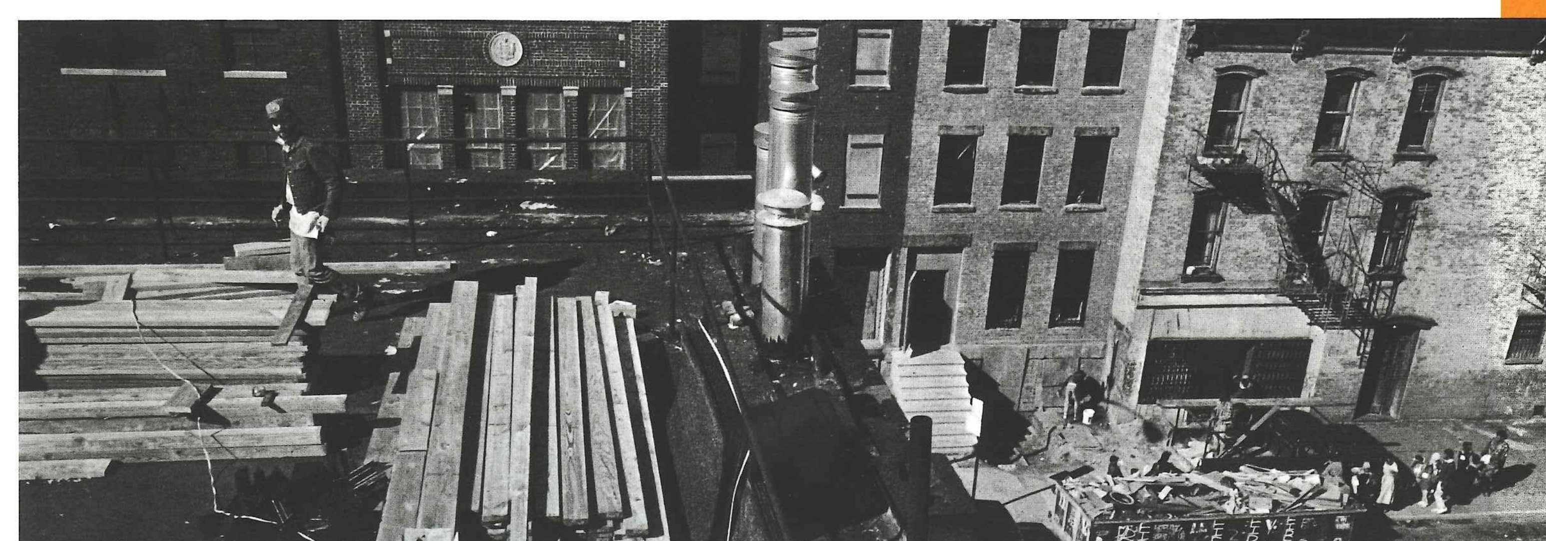
CPC's goal at the time was to halt deterioration by preserving structures that were still occupied. This meant creating a system of finance to provide funds for rehabilitation, principally in multifamily housing, focusing on the replacement of mechanical systems and the improvement of a building's energy efficiency. By these measures, the useful life of the building could be extended for another generation.

As the needs of the city changed, so too did CPC's goals. As New York's economy began to grow, so did the need for new, affordable housing. Several studies linked the city's continued economic growth with its ability to provide sufficient affordable housing. While still financing housing preservation, in the mid-1980s CPC began to place increased emphasis on financing new housing, primarily through the gut rehabilitation of vacant buildings.

The effort needed to meet such ambitious goals was clearly recognized as beyond the resources of any single lending institution. Indeed, it is estimated that over $15 billion is needed just to preserve the city's existing stock. Rather, what was needed was an environment conducive to the routine investment – both for debt and equity – in the development and rehabilitation of affordable housing. Creating such an environment is one of CPC's principal goals.

Investment in low- and moderate-income housing in New York City depends on a complex array of governmental actions and programs. In the course of its lending, CPC has identified – and sought to remove – many obstacles that impede investment. As a vehicle of the financial community, CPC can provide government with a reliable understanding of the requirements precedent to investment. In turn, CPC works with its sponsoring institutions to inform them of workable governmental programs and assists them in their urban lending efforts.

"Our goal is to make investment in moderate-income housing a routine event, rather than an extraordinary event."



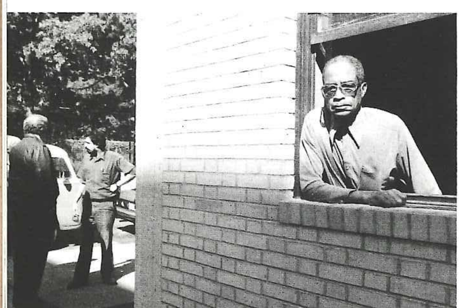
THE CITY

CPC's Board of Directors sets policies for the corporation and directs the management in implementing those policies. CPC also has an investment committee, consisting of senior lending officers of its member institutions, that commits project financing from its various credit sources.

CPC both originates and services construction and permanent loans. Most loans originate from two neighborhood offices, one in the Northwest Bronx, servicing the Bronx and Manhattan, and one in downtown Brooklyn, servicing Brooklyn, Queens and Staten Island.

CPC's efforts are supported by several different sources of financing. Construction financing derives from CPC's borrowing from an unsecured revolving loan fund. Provided initially by the commercial bank sponsors – soon to be joined by CPC's savings banks – its credit is being expanded to $52 million.

Permanent financing for CPC-originated construction loans derives from the initial $100 million committed by the sponsoring savings and commercial banks. In 1984 this was supplemented by two of the city's public pension funds, Police and NYCERS, agreeing to provide $100 million for the same purpose.



To meet the permanent lenders' concern for added protection against the greater vulnerability of low- and moderate-income neighborhoods, CPC has worked with the State of New York Mortgage Agency (SONYMA) and the Rehabilitation Mortgage Insurance Corporation (REMIC) to provide insurance on individual permanent mortgages.

This past year, CPC welcomed seven New York based insurance companies as partners in the formation of a new joint venture – the Housing Partnership Mortgage Corporation (HPMC). HPMC's objectives are to create an active secondary market for CPC's successful lending products. This will involve working actively with the national secondary market institutions, the Federal National Mortgage Association (FNMA), the Government National Mortgage Association (GNMA), and the Federal Home Loan Mortgage Corporation (FHLMC), to seek to match CPC's loans with their guidelines. Where this match occurs, the participating insurance companies have agreed to purchase $50 million of FNMA, GNMA or FHLMC mortgage-backed securities financing CPC's affordable projects. Having committed almost $40 million of its initial credit resources, HPMC is looking forward to an additional $50 million from its insurance company sponsors.

If New York City is to have adequate housing for the future, it must establish today a governmental environment that provides a sound basis for investment in affordable rehabilitation and development, linked to a financial structure that provides a market for loans that finance such activity. To advance these ends, CPC and HPMC were formed.

Richard Powers (right), contractor, and Michael Schmeltzer (left), owner, outside a typical CPC rehabilitation, at Bradhurst Avenue in Harlem.

"CPC was founded by the banks to create replicable methods for preserving housing."

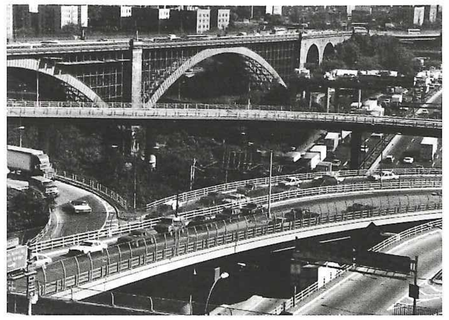
PRESERVATION

PRESERVING HOUSING

CPC is committed to preserving and rebuilding New York's older neighborhoods, which are the very lifeblood of the city. Our original mandate directed us to develop a replicable model for preserving housing and preventing abandonment. Such a model is the first critical step in meeting the housing needs of the 1.2 million New York households living in buildings constructed before World War II.

The economics of preserving older buildings are compelling. A rehabilitation that replaces the building's mechanical systems and improves energy efficiency extends the building's useful life for some 40 years while costing only $10,000 to $20,000 an apartment. Such rehabilitation is affordable to households earning between $15,000 and $25,000 annually.

If these buildings were left to deteriorate to the point of abandonment, the eventual cost of their restoration would be four to five times as much. Saving an occupied building prevents displacement and protects the public's investment in the neighborhood's capital plant.



Financing the preservation of a community is a wholly different problem from merely financing the rehabilitation of one building. The scale of such an effort requires the active support of the leadership of that community.

The problems encountered in the moderate rehabilitation of occupied buildings illustrate the importance of community support. The process can be enormously disruptive for the tenants, who must endure the hardships of living through messy and difficult construction work – and who face a rent increase once the work is finished. In New York, these are surely the ingredients for strife. The tenants must be able to distinguish short-term inconvenience from the long-term benefits of having a properly restored building as their home for decades to come.

"We've worked very hard with the city to create a rational process of approving projects."

Neighborhood leaders must be able to measure short-term complaints about disruption against the long-term benefits of a stable housing stock. Where we had such support, we were successful. Where no such support existed, rehabilitation efforts floundered as the political calculus found it more advantageous to exploit short-term problems, rather than seek long-term solutions.

The finest model for rehabilitation is our work in Washington Heights/Inwood, where all elements, including dedicated community leaders and landlords, worked to restore the neighborhood to a thriving area – without displacement of residents. In many ways, Washington Heights is the quintessential New York neighborhood, filled with handsome and structurally sound apartment housing, peopled by members of many ethnic groups and religions, and energized by institutions ranging from local bodegas to a world-renowned medical center.

In Washington Heights, we concentrated on moderate rehabilitation, replacing ancient plumbing, heating, and electrical systems. We worked with local owners to help them develop a construction plan and assisted them through various government approvals. For most owners, building-wide rehabilitation was a new experience, involving an array of unfamiliar government actions. Their undertaking of such upgrading was premised on (1) an adequate financial return; and (2) public processes that would not overwhelm their typically limited organizational resources. In the area north of 155th Street, CPC financed the rehabilitation of over 7,000 apartment units – roughly 10% of the neighborhood's housing, and a far higher proportion of the neighborhood's deteriorated housing.

Susan Swider (right), Mortgage Analyst, inspecting work at 151st Street in Hamilton Heights.

PRESERVATION

Where 10 years ago CPC was virtually the only lender financing housing improvements in Washington Heights, today CPC has worked itself out of a job, as many lenders now finance renovation.

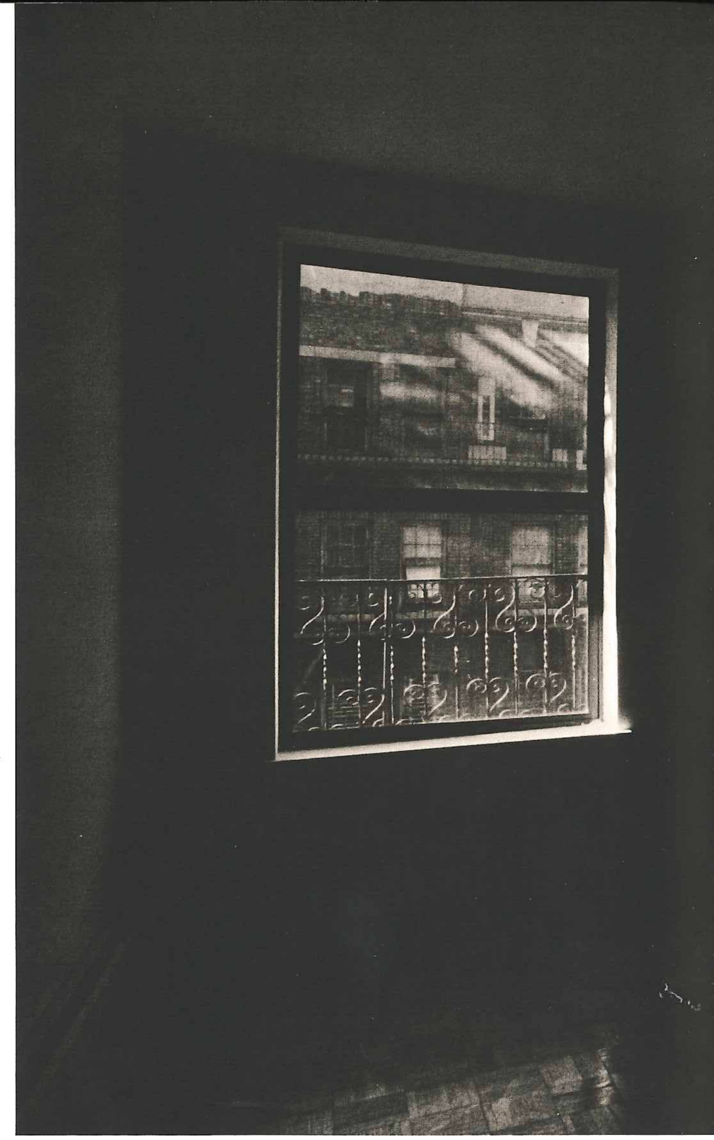
The preservation of Washington Heights/Inwood did not rest on the energy and finances of the private sector alone. Its feasibility depended on the timely and certain workings of various public components.

1. Rent increases paid for the cost of the debt that has financed preservation.

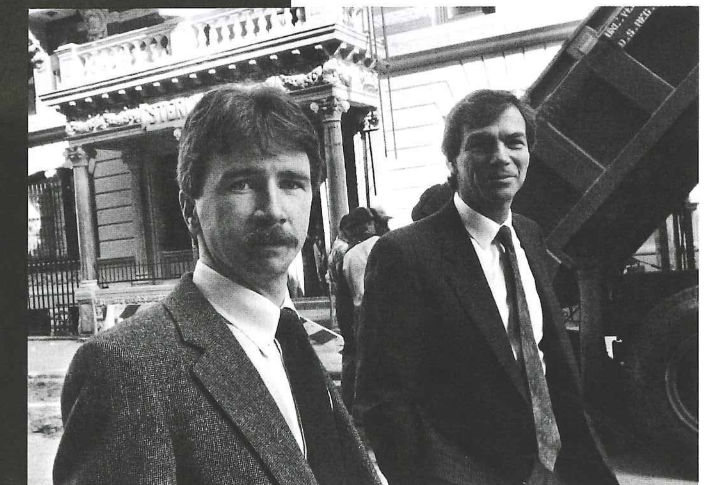
2. Shallow rent subsidies through the federal Section 8 Program and reduced real estate taxes through the city's J-51 Program made the improved housing affordable to its occupants.

3. Deeper subsidies by which the city provided up to 60% of the funds at 1% financed the rehabilitation of the most seriously deteriorated buildings.

This combination of private and public programs, administered in a way that was accessible to Washington Heights owners, forms a model that may be replicated elsewhere to restore deteriorating neighborhoods.



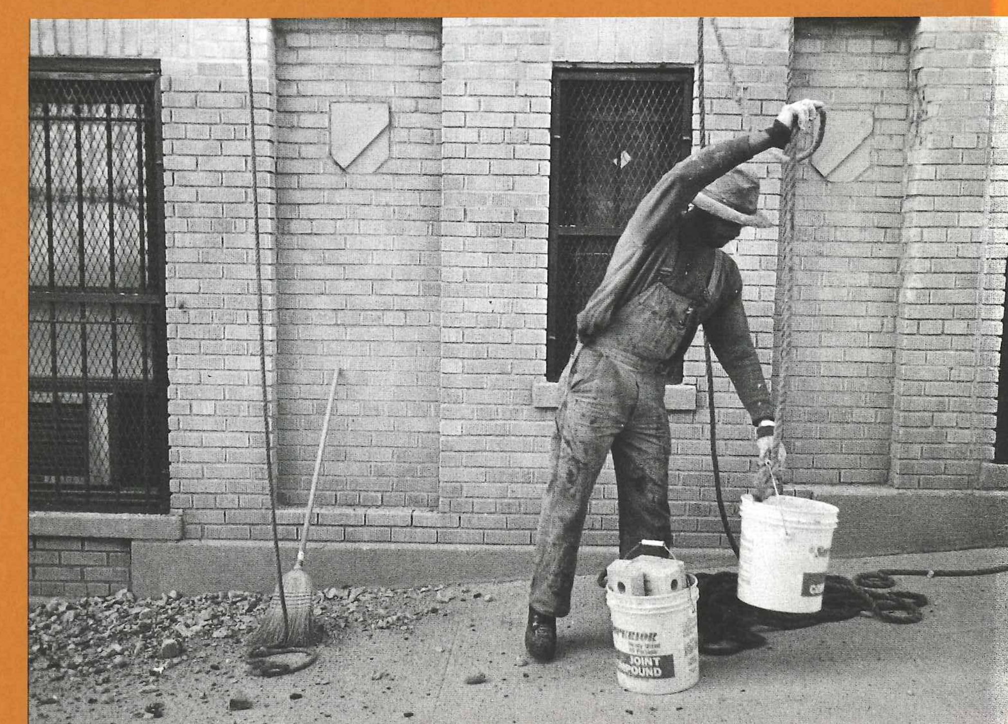
Bruce Dale (right), Mortgage Officer, and Jack Greene (left), Vice President, at the construction site on 113th Street in Harlem.



Apartment Units	
83	1372
84	1803
85	1755
86	1620
87	1770
Loans Serviced	
83	251
84	277
85	290
86	317
87	368
Construction Loans Closed*	
83	18.5
84	26.9
85	28.1
86	37.3
87	47.8
Permanent Loans Closed*	
83	6.0
84	9.3
85	22.2
86	21.3
87	29.8

*in millions of dollars

"We'll go into any neighborhood in the city, but we go in as partners with the developer and the community."



CONSTRUCTION

As important as the preservation of housing has been to the survival of our neighborhoods, it is not enough. While the city's economy continues to grow, the city's housing must keep pace with the demand. This means we must develop new units.

Over the past two years, CPC has broadened its emphasis to seek sound methods to create new housing units, primarily by redeveloping long-vacated buildings in our lending neighborhoods. During this period we have financed construction starts for over 1,000 new units, both for homeowners and renters.

For condominiums, CPC has provided the construction financing to the developer, while HPMC and SONYMA provided the end loan financing for up to 95% of the purchase price to individual buyers. To insure the affordability of a project and protect against any rise in interest rates that may occur during construction, HPMC sets the mortgage rates for individual purchasers at the start of construction. Working with low-cost builders, this housing has been offered for sale at prices ranging from $70 to $140 a square foot. This translates into homes that are affordable to households earning between $25,000 and $50,000 a year.

The expected change in the city's tax abatement and exemption program (J-51), which will remove uncertainty regarding a project's eligibility, should broaden the production of moderate-income housing.

"Low-cost builders don't have the time to fill out reams of government papers at the end of the day because they've been swinging a hammer since the start of the day."

Gunnel Rydstrom (right), Mortgage Officer, and Mary A. Brennan (far left), Vice President, review plans at the construction site with owners/contractors Michael and Elina D'Annunzio.

CONSTRUCTION

CPC has also financed a number of low-income units created from vacant buildings, including over 100 units for homeless housing. The key to the feasibility of these projects is a long-term operating subsidy, which protects against possible imbalances that might occur between the cost of running sound housing and the limited ability of tenants to pay rent.

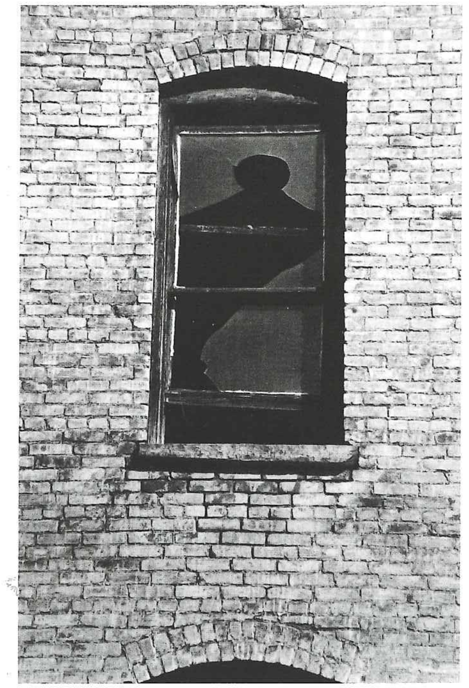
In the past year, major new opportunities have developed to meet the demand for affordable new housing. The city's commitment to dispose of its considerable stock of vacant buildings and land by subsidizing its development into affordable housing will produce an important addition to New York's housing stock. In one of the first such programs with vacant buildings, CPC is financing the development of moderate-income rental properties by private developers selected by the city. To reach this affordability goal, the city sells each building for $1 and provides financing of up to $43,000 per unit at an interest rate of 1%. CPC lends the balance of the funds at market rates.

Depending on the neighborhood and the subsidy level, this model can be adapted to meet different income levels.

We have encouraged the government to develop a similar program for its vacant land. Because the city's residential neighborhoods have essentially been developed with small buildings, we have suggested that the government make available its small, infill sites to such a program.

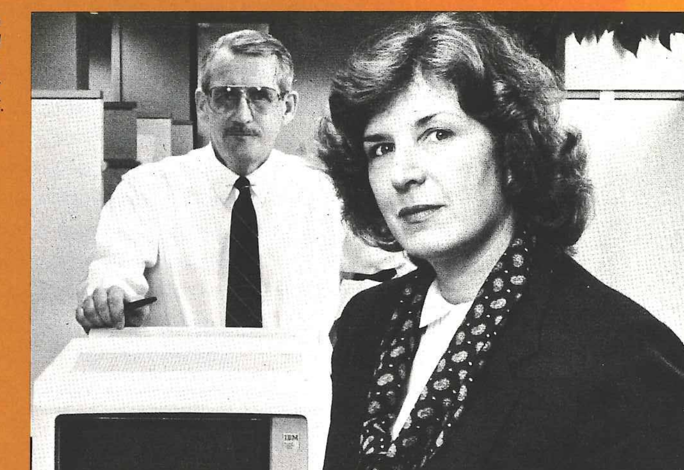
By focusing on the 10,000 to 20,000 square foot lots, the city can build small and generally unobtrusive projects, using a neighborhood's existing infrastructure. Such projects have the further advantage of attracting small, cost-efficient builders.

"We do our homework and we know our neighborhoods very well. We're there on the blocks with them."

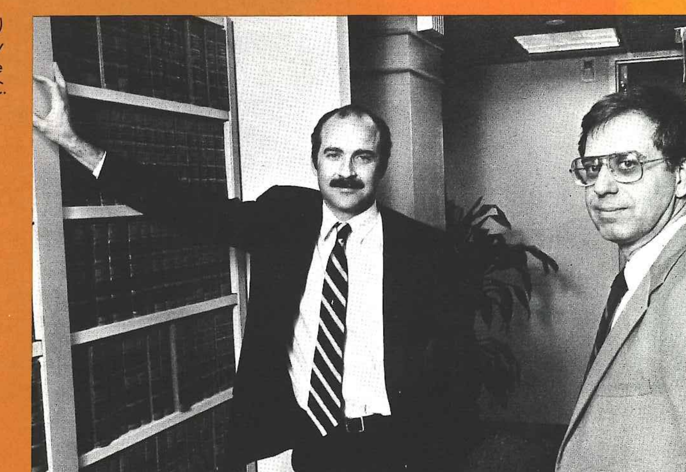


Stefan Sebastian (right) is Treasurer, and Mariann Perseo (center) is Secretary of CPC. Julie A. Carr (left) is Assistant Mortgage Officer.

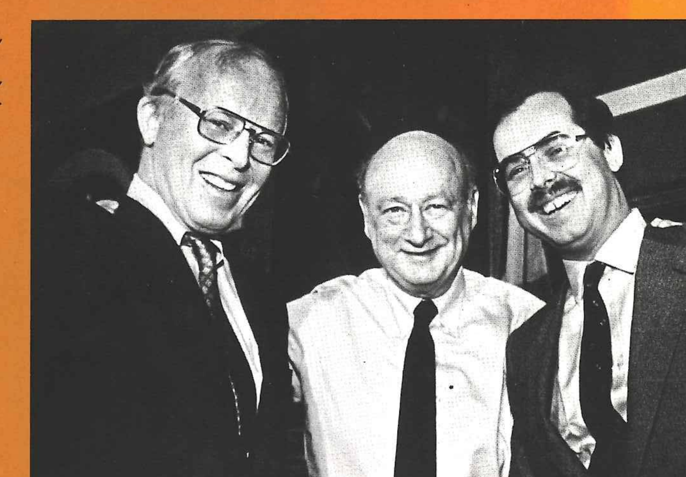
Barbara Gordon Espejo (right) is Vice President and General Counsel, and Dale F. McDonald (left) is Senior Vice President of CPC.



Barry Zelikson (right) and John M. McCarthy (left) are Executive Vice Presidents of CPC.



Michael D. Lappin (right), President of CPC, with Mayor Koch and Paul Crotty (left), Commissioner of HPD.



THE FUTURE

Our housing problems are grave. If the Mayor's Commission on the Year 2000 is correct that almost one-third of a million New York households will be deprived of sound, suitable housing by the end of the century, we must today take whatever steps are needed to preserve existing housing and construct new housing. We must create an environment conducive to investment in affordable housing. Our goal is to turn the preservation and development of low- and moderate-income housing from an extraordinary event into an everyday event.

Our original mandate instructed us not only to lend money to finance rehabilitation but to identify obstacles, whether public or private, that would inhibit financing. To the extent that the public environment is not receptive to new and rehabilitated housing, we can do very little. To the extent that the environment encourages housing, we can do a great deal.

"CPC has proven that private financing working closely with city government can produce affordable housing."

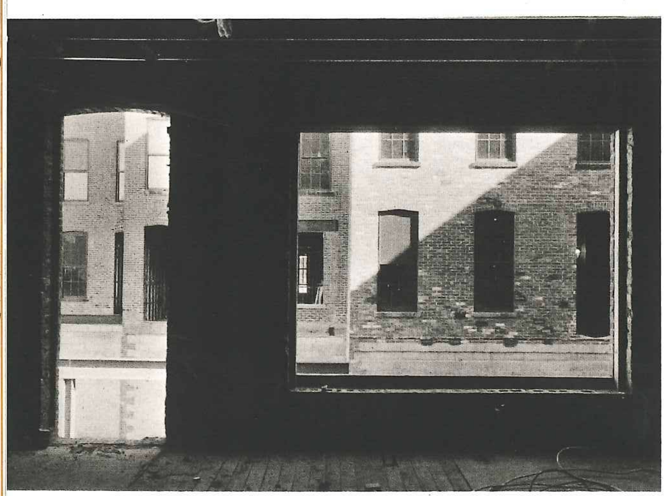
The First Step: Preserve What We Have

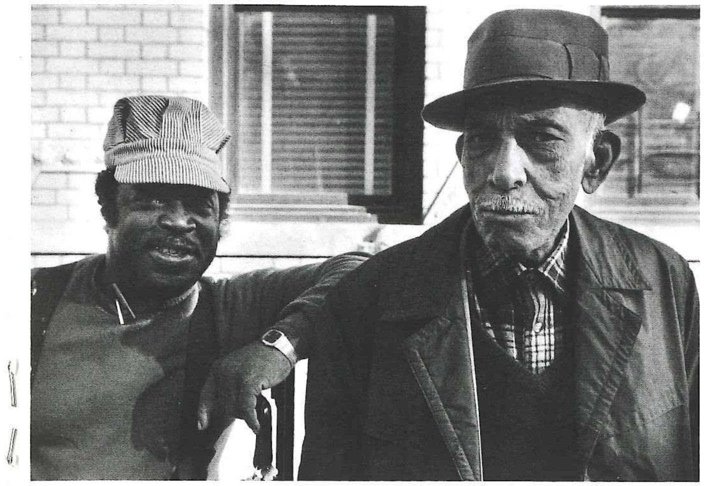
The success of our housing preservation efforts, particularly in Washington Heights, provides an uncluttered map for restoring a community without displacing its residents. But two of the key public underpinnings in that effort – rent increases to pay for the cost of rehabilitation, and individual rent subsidies to aid those who cannot afford higher rent – have broken down.

Rent increases, necessary to pay for the added debt that finances renovation, are plagued by long delays in approval – almost twenty months from the time of application – and must meet increasingly vague standards for authorization. Housing preservation requires sufficient, certain, and timely rent increases to support improvements.

We recognize that some tenants will not be able to afford increases. In Washington Heights this was true for about one-fifth of tenant households, which required federal Section 8 subsidies of about $1,500 annually. Section 8, which is no longer available, has been partially replaced by an expanded Senior Citizen Rent Increase Exemption Program (SCRIE), which will pay for the rental increase, resulting from rehabilitation, that exceeds one-third of the income of eligible senior citizens. We would propose that SCRIE be extended to include all low-income households living in buildings undergoing moderate rehabilitation in designated deteriorating neighborhoods. The cost of these limited subsidies, tied to moderate rehabilitation, is far less than the cost of allowing properties to deteriorate to the point where the city must take over ownership and provide direct subsidies to the same income groups.

The denial of adequate rent increases is viewed by some as an indirect method of subsidizing rehabilitation, as if owners will pay for rehabilitation in any event. This is incorrect. Rather, denial of increases simply makes improvements economically unfeasible. Housing preservation requires both rent increases and rent subsidies.





The Second Step: Create New Housing

We must also develop new housing quickly and efficiently. The vast holdings of city-owned property – more than 60,000 vacant apartment units and thousands of acres of developable land – present unprecedented opportunities for new housing. Combined with the city's commitment of over $4 billion in capital funds to subsidize development, these sites hold the promise of affordable housing for a mix of income groups.

To leverage public resources, private expertise and financing must be attracted. First, subsidies must be structured to meet the public goals. Up-front development subsidies that are sufficient for moderate-income housing will be insufficient for low-income housing. As federal programs have shown, long-term operating subsidies are needed to pay the difference between the ability of low-income tenants to pay rent and the costs of maintaining housing.

Second, subsidy programs should aim for simplicity to encourage wide private sector participation. If the program is so complicated that an array of middlemen are required to get any project through the process, the value of the subsidy will be dissipated, and private participation will be minimal.

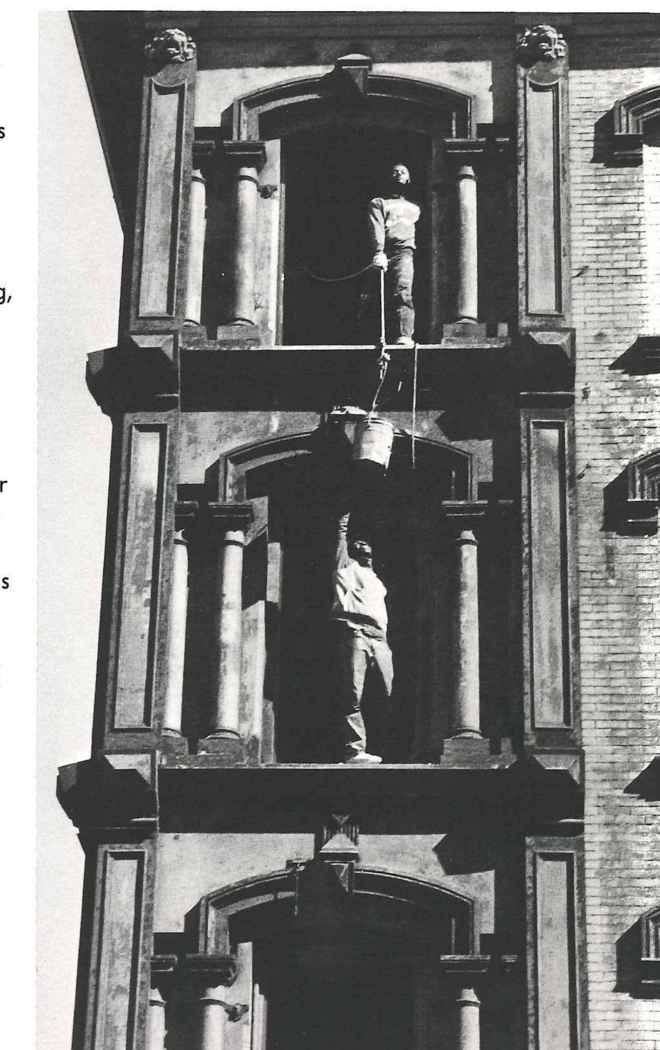
Third, the transfer of property from the city to the developer should be free of restrictions that inhibit financing. For example, standardized deeds should be adopted by the many city agencies and divisions within agencies responsible for property disposition. Overall, the city's mechanism for disposing of property should be clear and predictable.

The Third Step: Improve the Process

The public programs that are meant to encourage the creation and preservation of housing must be accessible to the low-cost builders who have been the traditional suppliers and owners of the city's housing stock. Public programs should be as close to as-of-right as possible. The costs of processing a project through a public program should not outweigh the benefits of subsidy. Indeed, the best subsidy that the city could provide would be a simple process. In addition, the city must revise its zoning, building, and processing regulations to make the conventional development process less onerous.

An added benefit of an as-of-right process is that it not only attracts low-cost builders, but encourages the creation of new low-cost firms. One of the many surprises that occurred in neighborhoods where CPC has been active has been the number of new developers who have grown with CPC. Several contracting and management firms have evolved into developers who now have the ability to undertake moderate or gut rehabilitations of over 100 units a year.

Because excessive delay can convert financially sound housing construction projects into financial failures, the approval process must be efficient if small builders are to succeed.



THE FUTURE

"CPC's loans are made within bankable lending standards."

What the Community Preservation Corporation Will Do

Rehabilitating deteriorated housing and creating new housing in the city's low- and moderate-income neighborhoods will require billions of dollars in capital. Such a sum not only requires a huge commitment from private financial institutions, but a regular mechanism for channeling available funds from the major credit markets into projects and neighborhoods that otherwise would not have access to those markets. These funds will only be attracted by sound investment opportunities in properties that are physically and economically strong enough to support long-term mortgage financing.

For our part, CPC and HPMC will help create a secondary market for the preservation and development of affordable housing in New York. First, we will standardize the lending products CPC has pioneered in subsidized and non-subsidized rental and for-sale housing. Doing this will require stability and certainty in government programs. Second, we will work with other construction lenders to assist them in originating such loans. Third, we will expand our forward-committed permanent financing resources among large institutional investors to provide takeouts for construction loans.

As neighborhoods turn to the financial community to assist in rebuilding low- and moderate-income housing, it is important that each side understands the role and resources of the other participants. The private sector provides the capital; the public sector provides the subsidies that make private capital effective. This is a two-way street. The demand on the private sector for capital and expertise must be coupled with the demand on the public sector for appropriate subsidies. Together, these elements form the basis for rebuilding New York's aging neighborhoods.

Patricia Conyers (right), Mortgage Analyst, and Susan M. Pollock (left), Mortgage Officer, review plans with Martin Orlofsky (center), owner, at Times Plaza in Brooklyn.

CPC FINANCIALS

CPC Financial Overview

The Community Preservation Corporation completed its thirteenth year with an operating surplus of $1.05 million. Accumulated surpluses and reserves from all years now total $5.25 million. This financial reserve enables an assertive pursuit of CPC's objectives:

It furnishes a reserve against losses on construction loans, which carry inherent risks and are generally ineligible for mortgage insurance. CPC's construction loan balance was $42.4 million at this year's end, with another $26 million yet to be funded on closed loans. Approximately $37 million in our construction portfolio represents financing of gut rehabilitations of vacant projects for rental and for co-operative/condominium occupancy. While CPC has never suffered a loan loss during its history, an economic downturn could impose pressures not now foreseeable on our portfolio.

It supplies the FHA-mandated financial strength for CPC's continued eligibility as a Section 223(f) co-insuring lender. FHA requires a minimum of $1.5 million in "sound capital resources."

It provides the minimum financial requirements for seller/servicer status for the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC).

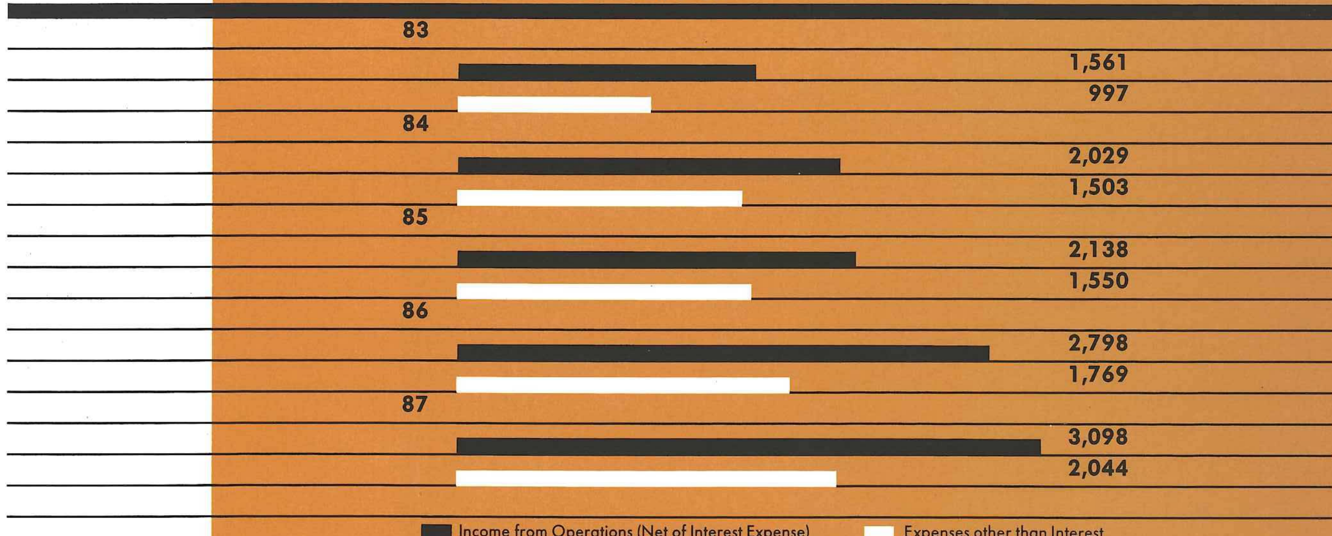
It enables CPC to invest in staff and equipment to expand services to finance low- and moderate-income housing. A near-doubling of origination volume (in dollar terms) is forecasted for the coming year, as CPC participates with the City to finance the rehabilitation of *in rem* properties. An increased pace in unsubsidized project financing will also be sought. With CPC financially strong, these objectives can be pursued on a scale matching the financing needs of the neighborhoods we serve.

The three factors contributing to the surplus are origination fees, interest income from construction loans, and fees for servicing the mortgage portolio. This year, as in the past, the increase in CPC's surplus was a result of increased lending activity and effective cost control.

Whether or not increased demand for the financing of rehabilitated housing financing will continue at current or greater levels depends on several factors: cyclical economic factors, the availability of public subsidies, and the efficient functioning of government agencies affecting rental housing.

As it begins its fourteenth year of operations, CPC remains committed to the preservation and development of affordable housing throughout New York City.

CPC Income and Expenses*



*in thousands of dollars

CPC Auditors' Report

To the Board of Directors of
The Community Preservation Corporation:

We have examined the balance sheets of The Community Preservation Corporation (formerly The New York City Community Preservation Corporation), (a New York not-for-profit corporation) as of August 31, 1987 and 1986 and the related statements of support, revenues and expenses and changes in fund balance for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of The Community Preservation Corporation as of August 31, 1987 and 1986 and the results of its operations and the changes in its fund balance for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Arthur Andersen & Co.

New York, New York
October 30, 1987

CPC

Balance Sheets–August 31, 1987 and 1986

	1987	1986
Assets		
Investments in First Mortgage Loans (Notes 2 through 5 and 10):		
Construction loans	$ 63,854,100	$ 48,552,670
Less–Allowance for possible investment losses	500,000	500,000
Participants' interests in construction loans	21,454,385	20,703,639
Permanent mortgage loans (Note 2)	950,000	1,882,056
	42,849,715	29,231,087
Cash and Cash Equivalents:		
Subject to immediate withdrawal	61,246	55,755
Certificates of deposit (Note 6)	7,638,466	1,534,223
Accrued Interest Receivable	372,390	576,577
Other Assets	934,096	339,569
	$ 51,855,913	$ 31,737,211
Liabilities and Fund Balance		
Liabilities:		
Notes payable under revolving credit agreement–unsecured (Note 4)	$ 24,400,000	$ 4,800,000
Accounts payable and accrued expenses	7,557,664	5,042,548
Participants' deposits (Note 6)	9,101,938	13,159,456
Escrow and other deposits of borrowers	5,981,383	5,000,584
Deferred income–commitment fees	64,540	38,070
	47,105,525	28,040,658
Commitments and Contingencies (Notes 2, 3, 4, 8 and 11)		
Fund Balance (Note 12)	$ 4,750,388	$ 3,696,553
	$ 51,855,913	$ 31,737,211

The accompanying notes to financial statements are an integral part of these balance sheets.

CPC

Statements of Support, Revenues and Expenses and Changes in Fund Balance For the Years Ended August 31, 1987 and 1986

		1987	1986
Revenues and Public Support:			
	Interest on loans	$3,771,350	$2,635,896
	Commitment fees	824,516	832,930
	Servicing fee income	319,670	304,377
	Interest on short-term investments	86,697	80,757
	Other revenues	39,593	14,043
	Public support	8,700	6,450
	Total revenues and public support	5,050,526	3,874,453
Expenses:			
	Interest (Note 7)	1,952,478	1,075,979
	Employee compensation and benefits (Note 9)	1,226,531	1,022,673
	Professional fees	160,735	238,527
	Office expenses (Note 8)	272,625	225,729
	Other	384,322	282,185
	Total expenses	3,996,691	2,845,093
	Excess of revenues and public support over expenses	1,053,835	1,029,360
Fund Balance,	beginning of year	3,696,553	2,667,193
Fund Balance,	end of year	$4,750,388	$3,696,553

The accompanying notes to financial statements are an integral part of these statements.

CPC

Notes to Financial Statements – August 31, 1987 and 1986

(1) Summary of significant accounting policies:

The significant accounting policies of The Community Preservation Corporation (the "Corporation") are as follows:

Federal income taxes

The Internal Revenue Service has determined that the Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Income recognition

Interest on construction loans is accrued monthly based on the daily outstanding principal balances of such loans. Fee income from loans serviced by the Corporation is accrued based on the outstanding principal balances of such loans.

Commitment fees

Commitment fees are charged to prospective borrowers principally to offset the Corporation's costs of originating loans. For financial statement purposes, commitment fees are recorded in income over the commitment period, provided that the period is reasonably determinable. Where such period is not determinable, commitment fees are recognized as income upon the closing of the mortgage loan.

Pledged mortgage loans

Mortgage loans pledged on a nonrecourse basis as collateral for nonrecourse collateral trust notes are accounted for as if they had been sold to the holders of the notes. Accordingly, no accounting recognition is given to the pledged loans or to the collateral trust notes in the accompanying balance sheets.

Reclassifications

Certain prior year amounts have been reclassified to conform to the manner of presentation used in 1987.

(2) Mortgage loans and commitments:

The following is a summary of closed mortgage loans as of August 31, 1987 and 1986 (000's omitted except for number of loans):

1987	Construction	Permanent	Total
Number of loans	79	204	283
Funded commitments:			
Total funded balance	$ 63,854	$101,266	$165,120
Less – Participants' interests	21,454	46,631	68,085
Mortgage loans sold (Note 10)	–	6,360	6,360
Mortgage loans pledged (Note 5)	–	47,325	47,325
Corporation's portion	42,400	950	43,350
Less – Allowance for possible investment losses	500	–	500
	41,900	$ 950	$ 42,850
Corporation's portion of unfunded commitments	26,019		
Total Corporation commitment amount	$ 67,919		

Notes to Financial Statements – August 31, 1987 and 1986

1986	Construction	Permanent	Total
Number of loans	72	217	289
Funded commitments:			
Total funded balance	$ 48,553	$ 98,614	$147,167
Less – Participants' interests	20,704	37,613	58,317
Mortgage loans sold (Note 10)	–	3,760	3,760
Mortgage notes pledged (Note 5)	–	55,359	55,359
Corporation's portion	27,849	1,882	29,731
Less – Allowance for possible investment losses	500	–	500
	27,349	$ 1,882	$ 29,231
Corporation's portion of unfunded commitments	6,634		
Total Corporation commitment amount	$ 33,983		

Pending commitments for new mortgage loans (net of portion applicable to participants) as of August 31, 1987 and 1986, were as follows (000's omitted except for number of loans):

	Mortgage Commitments Accepted by Borrowers		Mortgage Commitments Not Yet Accepted by Potential Borrowers	
	1987	1986	1987	1986
Number of loans	7	11	27	2
Amount	$ 2,168	$ 4,193	$ 19,423	$ 785

(3) Allowance for possible investment losses:

The Corporation's purpose is to make mortgage loans for the development and preservation of residential properties in certain areas of New York City. These lending areas have been designated by the Corporation as preservation areas, areas whose housing stock is experiencing physical deterioration and which might be preserved through the combined effort and resources of government and the private sector.

The soundness of the Corporation's multifamily mortgage loans is dependent upon, among other things, rent increases to be approved by the City's and/or New York State's rent regulatory bodies upon completion of the planned rehabilitation. Many of these loans are also dependent upon the granting by the City of real property tax abatements and/or exemptions. It is the opinion of the management of the Corporation that, when and if such governmental measures are implemented, the rental income authorized for each of the properties will be adequate to maintain the viability of each of the Corporation's loans on these properties. Substantially all permanent mortgage loans are insured with the Rehabilitation Mortgage Insurance Corporation (REMIC) or the State of New York Mortgage Agency (SONYMA). Both programs provide insurance coverage against any losses resulting from, among other things, foreclosure and sale of the real property, which is the security for the loan, in an amount of up to 50% of the principal balance of the loan for loans made prior to fiscal 1982 and up to 75% of the principal balance of loans made in fiscal 1982 and thereafter.

Construction loans are not presently eligible for REMIC or SONYMA insurance and, accordingly, the Corporation's exposure to a possible loss as a consequence of defaults by

Notes to Financial Statements – August 31, 1987 and 1986

borrowers is substantially greater than is the case for permanent loans. The Corporation investigates all potential borrowers and analyzes the financial feasibility of the proposed rehabilitation program before approving a construction loan. The Corporation has recently made construction loans for the purpose of rehabilitating properties which will be converted to cooperative ownership or condominiums upon the completion of the rehabilitation. Construction loans on conversions of properties involve lending risks which are believed by management to be greater than those which are applicable to rental apartment loans.

The Internal Revenue Code of 1986 made fundamental changes in the taxation of individuals and business enterprises which are owners of real estate. Certain of the Corporation's borrowers may be adversely impacted by those changes and, accordingly, may encounter economic and other pressures which were not contemplated at the time that the Corporation's loans were made. As of August 31, 1987, the Corporation has not incurred any losses on its loan portfolio; however, because of the inherent risks in, among other things, financing of construction in buildings with tenants in occupancy, management determined in 1981 that it would be prudent to establish an allowance for possible investment losses. During the period from 1981 to 1984, an aggregate of $500,000 was provided for this allowance. In the absence of specific information that an investment loss has occurred or is likely to occur, no additions to this allowance are presently contemplated. No amounts have been charged to the allowance through August 31, 1987.

In addition to the allowance amount, management considers the Corporation's fund balance to be available to cover any unforeseen losses which may occur as a result of its lending activities.

(4) Revolving credit agreement:

The Corporation is a party to a revolving credit agreement with certain banks whereby the banks have agreed to lend the Corporation up to $49.3 million, through February 28, 1988, and up to $52 million through August 31, 1992, generally for the purpose of financing construction loans made by the Corporation. Borrowings are evidenced by notes which mature no later than August 31, 1992. The notes bear interest at the prime lending rate of the agent bank. No compensating balances are required to be maintained under the agreement; however, the Corporation is required to, among other things, maintain working capital, as defined, equal to the lesser of $50,000 or 5% of all outstanding sums borrowed pursuant to the agreement.

Borrowings under this agreement during fiscal 1987 and 1986 were at interest rates which ranged from 7.50% to 8.25% and 7.50% to 9.50%, respectively. At August 31, 1987 and 1986, the interest rates on these borrowings were 8.25% and 7.50%, respectively. At August 31, 1987 and 1986, $24.4 million and $4.8 million, respectively, were outstanding under this agreement.

(5) Nonrecourse collateral trust notes:

The Corporation is a party to a note purchase agreement with 32 banks. Under this agreement, the banks have agreed to purchase up to $100,000,000 of nonrecourse collateral trust notes issued by the Corporation, subject to certain conditions. Notes issued pursuant to this agreement are secured entirely by the pledge of permanent mortgage loans made by the Corporation. The agreement, as amended, permits the Corporation to issue both permanent and interim notes. Interim notes are issued periodically and, when an amount sufficient to warrant the issue of a permanent note has been accumulated, are replaced by permanent notes. The principal and interest received by the Corporation on mortgages pledged on a permanent basis, net of allowable fees and expenses, are remitted to noteholders quarterly. The principal and interest received on mortgages pledged on an interim basis, also net of allowable fees and expenses, are remitted to the noteholders at the time that the mortgages are pledged on a

Notes to Financial Statements – August 31, 1987 and 1986

permanent basis. At August 31, 1987 and 1986 the outstanding balances of these notes were $47.3 million and $55.4 million, respectively, which amounts were equal to the principal balances of the pledged mortgages. The unused portion of the amount committed under this agreement at August 31, 1987 was approximately $25.9 million.

Pursuant to the terms of a servicing agreement dated January 10, 1978, the Corporation services the mortgages pledged as collateral for the notes. The Corporation receives an annual servicing fee of ¼ of 1% based on the aggregate outstanding principal balances of the pledged mortgages.

(6) Participants' deposits:

The Corporation has entered into agreements with the New York City Department of Housing Preservation and Development (HPD) whereby HPD has agreed to participate in certain of the Corporation's mortgage loans. In connection with these agreements, HPD has deposited funds with the Corporation to be used to fund the HPD commitment to participate in such loans. The Corporation is required to invest any temporarily unused funds in short-term investments until the funds are required to fulfill the HPD commitments. The HPD portion of each mortgage bears interest at the rate of 1¼% per annum.

The interest earned on the unused portion of HPD deposits and HPD's share of the interest and principal collections on first mortgage loans, for a period of 30 months from the date that each such loan is converted to a permanent loan, are retained by the Corporation.

At August 31, 1987, HPD deposits consisted of the following:

Unused HPD funds, partially invested in certificates of deposit	**$4,729,833**
Mortgage interest and principal collections and accumulated interest on short-term investments	**4,372,105**
	$9,101,938

(7) Interest expense:

Interest expense consisted of the following:

	1987	1986
Interest on revolving credit agreement	**$1,081,000**	**$ 139,130**
Interest on HPD funds and escrows	**815,097**	**936,849**
Interest on Construction Performance Deposits	**56,381**	**–**
	$1,952,478	**$1,075,979**

(8) Lease commitments:

The Corporation leases office space in three locations under agreements which expire on three separate dates in 1989, 1992 and 1996.

Annual base rents are subject to escalations and/or decreases as provided for in the leases. Rental expense for 1987 and 1986 was $134,772 and $135,936, respectively. The minimum annual rentals under noncancellable leases which total $990,526 are due as follows:

1988	**$125,211**	1990	**$116,700**
1989	**125,140**	1991	**116,700**
		Thereafter	**506,775**

(9) Pension plan:

In April, 1982, the Corporation established a defined contribution pension plan covering all officers and employees. Each officer or employee is included in the plan after three years

Balance Sheet – August 31, 1987

Assets		
	Cash, in bank	$ 23,500
	Due from The Community Preservation Corporation (Note 6)	55,043
		$ 78,543
Liabilities and Fund Balance		
	Liabilities:	
	Accounts payable and accrued expenses	$ 15,000
	Accrued interest payable (Note 4)	1,846
	Note payable to The Community Preservation Corporation (Note 4)	98,965
	Total liabilities	115,811
	Commitments and Contingencies (Notes 3 and 4)	
	Fund Balance (Deficit) (Note 1)	(37,268)
		$ 78,543

The accompanying notes to financial statements are an integral part of this balance sheet.

Statement of Support, Revenues and Expenses and Changes In Fund Balance From Inception (April 22, 1986) through August 31, 1987

Revenues:		
	Commitment fees	$ 118,800
	Public support	–
	Total revenues	118,800
Expenses:		
	Cost of services provided by The Community Preservation Corporation (Note 4)	98,965
	Organizational costs	40,257
	Accounting and auditing	15,000
	Interest expense	1,846
	Total expenses	156,068
	Excess of expenses over revenues	(37,268)
Fund balance,	beginning of period	-0-
Fund balance,	(deficit), end of period	$(37,268)

The accompanying notes to financial statements are an integral part of this statement.

HPMC

Notes to Financial Statements – August 31, 1987

1. Incorporation and organization:

The Housing Partnership Mortgage Corporation (the "Corporation") was incorporated on April 22, 1986, under the Not-For-Profit Corporation Law of the State of New York. Prior to September 1, 1986, the Corporation's activities were limited to organizational matters.

The Corporation was formed for the purpose of making mortgage financing available in neighborhoods which are currently experiencing deterioration of housing stock and/or disinvestment. Since the Corporation's inception, this purpose has been accomplished by providing to sponsors of condominium projects the Corporation's commitment to make mortgage loans to qualified purchasers of units. The condominium projects are to be created by the rehabilitation of vacant structures and by new construction. In all projects committed since the Corporation's inception, construction financing is to be supplied by The Community Preservation Corporation ("CPC").

Membership in the Corporation is achieved by action of the Board of Directors. The Corporation is prohibited from distributing any assets or property to any individual or member of the Corporation.

The Class A members of the Corporation presently consist of seven life insurance companies and the sole Class B member is CPC (Note 5). The Class A members are entitled to elect 5 of the Corporation's directors and the Class B member is entitled to elect 10 directors. CPC is a not-for-profit corporation whose principal activities are providing construction and permanent financing for the development and rehabilitation of residential properties in neighborhoods which are experiencing deterioration of housing stock and/or disinvestment.

2. Summary of significant accounting policies:

The significant accounting policies of the Corporation are as follows:

Federal income taxes

The Corporation has applied to the Internal Revenue Service for a determination that the Corporation is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has not yet made a determination upon this application.

Commitment fees

Commitment fees are charged to prospective condominium sponsors principally to offset the Corporation's cost of originating the loans. The Corporation recognizes such fees as income at the time that CPC (see Note 1) closes a construction loan on the condominium project for which a commitment has been made by the Corporation. Through August 31, 1987, eight such construction loans were closed by CPC.

Organizational costs

Costs incurred in the process of organizing the Corporation aggregating $40,257 have been charged to expense.

3. Commitments:

As of August 31, 1987, no loans have been closed on condominium units, as all of the projects for which commitments have been issued are in the process of being rehabilitated or constructed.

Pending commitments for new mortgage loans as of August 31, 1987 were as follows (000's omitted except for number of loans):

HPMC

Notes to Financial Statements – August 31, 1987

	Mortgage Commitments Accepted by Borrowers	Mortgage Commitments Not Yet Accepted by Potential Borrowers
Number of loans	**7**	**3**
Amount	**$16,380**	**$14,900**

4. Agreements with The Community Preservation Corporation:

The Corporation is party with CPC to an Agreement for Management and Staff Services dated as of October 29, 1986. This Agreement provides for CPC to furnish to the Corporation the services of CPC personnel to conduct the Corporation's business; it also provides for CPC to furnish the use of office space and other office supplies and office services. The agreement specifies the manner in which the value of such personnel and other services is to be determined. The Corporation had no salaried employees during the fiscal year and leased no office space.

The Corporation is also party with CPC to a loan agreement dated as of October 29, 1986 pursuant to which the Corporation may receive loans from CPC up to an aggregate amount of $600,000 to pay for personnel and other services furnished by CPC under the aforesaid Agreement for Management and Staff Services. During the period ended August 31, 1987, the Corporation received loans from CPC totalling $98,965 for the entire amount of its services. These loans bear interest at a maximum rate of 6% per annum and are repayable, subject to certain deferral provisions, at an amount not in excess of $42,000 per year, including interest.

5. Agreements with Participating Institutions:

The Corporation is also party to an agreement dated as of October 29, 1986 with:

Metropolitan Life Insurance Company
The Equitable Life Assurance Society of the United States
New York Life Insurance Company
Teachers Insurance and Annuity Association of America
The Mutual Life Insurance Company of New York
The Guardian Life Insurance Company of America
Home Life Insurance Company

(the "Participating Institutions") pursuant to which the Corporation may receive loans from the Participating Institutions in amounts aggregating $300,000. On September 29, 1987, the Corporation received the full amount of loans under this agreement. These loans bear interest at the maximum rate of 6% per annum and, subject to certain deferral provisions, are repayable at an amount not in excess of $21,000 per annum, including interest.

The Corporation is also party to an agreement dated October 29, 1986 with the Participating Institutions pursuant to which (i) the Corporation has agreed to create pools of mortgages granted by purchasers of condominium units from time to time and to exchange them with the Federal National Mortgage Association ("Fannie Mae") for Fannie Mae securities collateralized by such mortgages; and (ii) the Participating Institutions have agreed to purchase such securities from the Corporation from time to time, with the aggregate of all such purchases not to exceed $50 million. During the fiscal year, the Corporation created no pools of mortgages and obtained no Fannie Mae securities.

6. Due from The Community Preservation Corporation:

CPC has collected certain commitment fees from condominium sponsors on behalf of the Corporation and has paid certain expenses on behalf of the Corporation. At August 31, 1987, the net amount due from CPC aggregated $55,043.

HPMC

Board of Directors

Jeffrey R. Grandy
Chairman of the Board
The Community Preservation Corporation
Senior Vice President
Citicorp Real Estate, Inc.

*Glen E. Coverdale
Chairman of the Board
Housing Partnership Mortgage Corporation
Executive Vice President
Metropolitan Life Insurance Company

**Francis L. Bryant, Jr.
Executive Vice President
Manufacturers Hanover Trust Company

*William C. Frentz
Vice President
Guardian Life Insurance Company of America

*Harry D. Garber
Vice Chairman
The Equitable Life Assurance Society of the United States

John D. Kyle
Executive Vice President
Chemical Bank

I.J. Lasurdo
Chairman of the Board
The Green Point Savings Bank

John F. Lee
Executive Vice President
The New York Clearing House Association

Robert O. Lehrman
President
Savings Banks Association of New York State

William G. Lillis
President
American Savings Bank

James F. Murray
Senior Vice President
The Chase Manhattan Bank, N.A.

Raymond V. O'Brien, Jr.
Chairman of the Board
Emigrant Savings Bank

*Thomas P. O'Connor
Senior Vice President
New York Life Insurance Company

*Lloyd Reed, Esq.
Vice President
Mutual Life Insurance Company of New York

Donald L. Thomas
Chairman of the Board
Anchor Savings Bank

CPC Mortgage Committee and HPMC Investment Committee

H.L. Van Varick
Chairman, CPC Mortgage Committee; Vice Chairman, HPMC Investment Committee
Executive Vice President
American Savings Bank

Murray F. Mascis
Vice Chairman, CPC Mortgage Committee
Vice President
Citibank, N.A.

*Shaun Johnson
Chairwoman, HPMC Investment Committee
Senior Investment Analyst
Teachers Insurance & Annuity Association

Harry A. Baierlein, Jr.
Administrative Vice President
CrossLand Savings FSB

*Andrea Glickhouse
Senior Real Estate Analyst
Home Life Insurance Company

George F. Hosey
Senior Vice President
Manufacturers Hanover Trust Company

Michael D. Lappin
President
The Community Preservation Corporation
Housing Partnership Mortgage Corporation

*Cornelius McShane
Manager, Real Estate Investments
Metropolitan Life Insurance Company

John H. Motley
Managing Director
Chemical Bank

**Peter C. Underwood
Vice President
Goldome Realty Credit Corporation

**Michael J. Wechsler
Senior Vice President
Chemical Bank

**William R. Wright
Vice President
Morgan Guaranty Trust Company of New York

Officers, CPC and HPMC

Michael D. Lappin
President

John M. McCarthy
Executive Vice President

Barry Zelikson
Executive Vice President

Dale F. McDonald
Senior Vice President

Barbara Gordon Espejo
Vice President and General Counsel

Mary A. Brennan
Vice President

Jack Greene
Vice President

Stefan Sebastian
Treasurer

Mariann Perseo
Secretary

Mortgage Staff

Julie A. Carr
Assistant Mortgage Officer

Patricia Conyers
Mortgage Analyst

Bruce Dale
Mortgage Officer

Susan M. Pollock
Mortgage Officer

Gunnel Rydstrom
Mortgage Officer

Susan Swider
Mortgage Analyst

Consulting Engineers

Daniel Frankfurt, P.C.

Peter Franzese, P.E.

Herbert Gallin, P.E.

Auditors

Arthur Andersen & Co.

Corporate Counsel

Sullivan & Cromwell

Real Estate Counsel

Rogers & Wells

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Brooklyn, New York 11243
(718) 783-8400

*HPMC only
**Retired during 1986-87

PARTICIPATING FINANCIAL INSTITUTIONS

Commercial Banks

The Bank of New York

Bankers Trust Company

The Chase Manhattan Bank, N.A.

Chemical Bank

Citibank, N.A.

European American Bank

Irving Trust Company

Manufacturers Hanover Trust Company

Marine Midland Bank

Morgan Guaranty Trust Company of New York

National Westminster Bank USA

United States Trust Company of New York

Savings Banks

American Savings Bank, FSB

Anchor Savings Bank

Apple Bank for Savings

The Bowery Savings Bank

CrossLand Savings FSB

The Dime Savings Bank of New York

The Dime Savings Bank of Williamsburgh

Dollar Dry Dock Savings Bank

The East New York Savings Bank

Eastern Savings Bank

Emigrant Savings Bank

Flushing Savings Bank

Goldome Federal Savings Bank

The Green Point Savings Bank

Independence Savings Bank

Lincoln Savings Bank

Ridgewood Savings Bank

Roosevelt Savings Bank

The Seamen's Bank for Savings

The Williamsburgh Savings Bank

***Insurance Companies**

The Equitable Life Assurance Society of the United States

Guardian Life Insurance Company of America

Home Life Insurance Company

Metropolitan Life Insurance Company

Mutual Life Insurance Company of New York

New York Life Insurance Company

Teachers Insurance & Annuity Association

*HPMC only