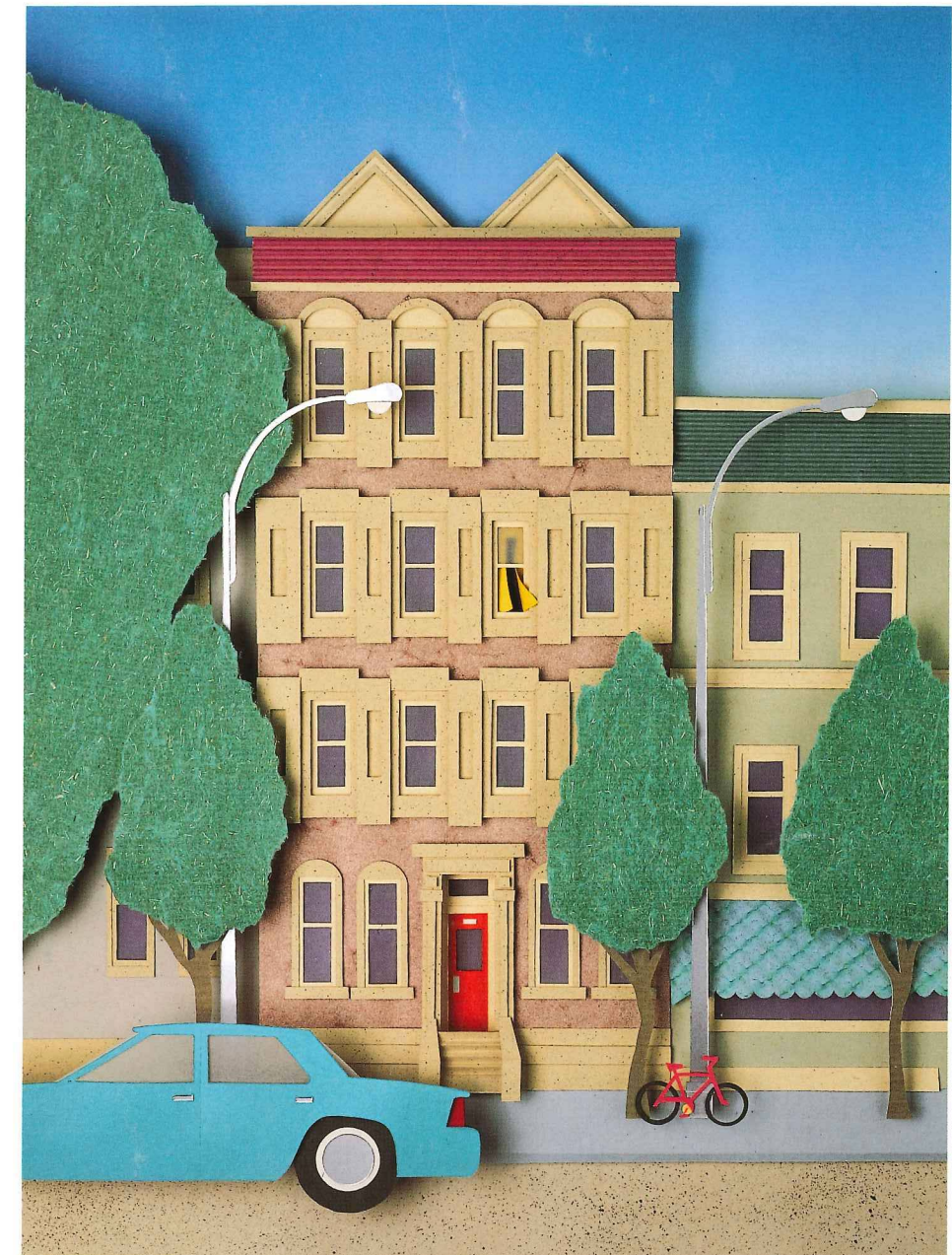


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THE COMMUNITY PRESERVATION CORPORATION

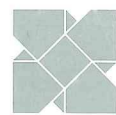
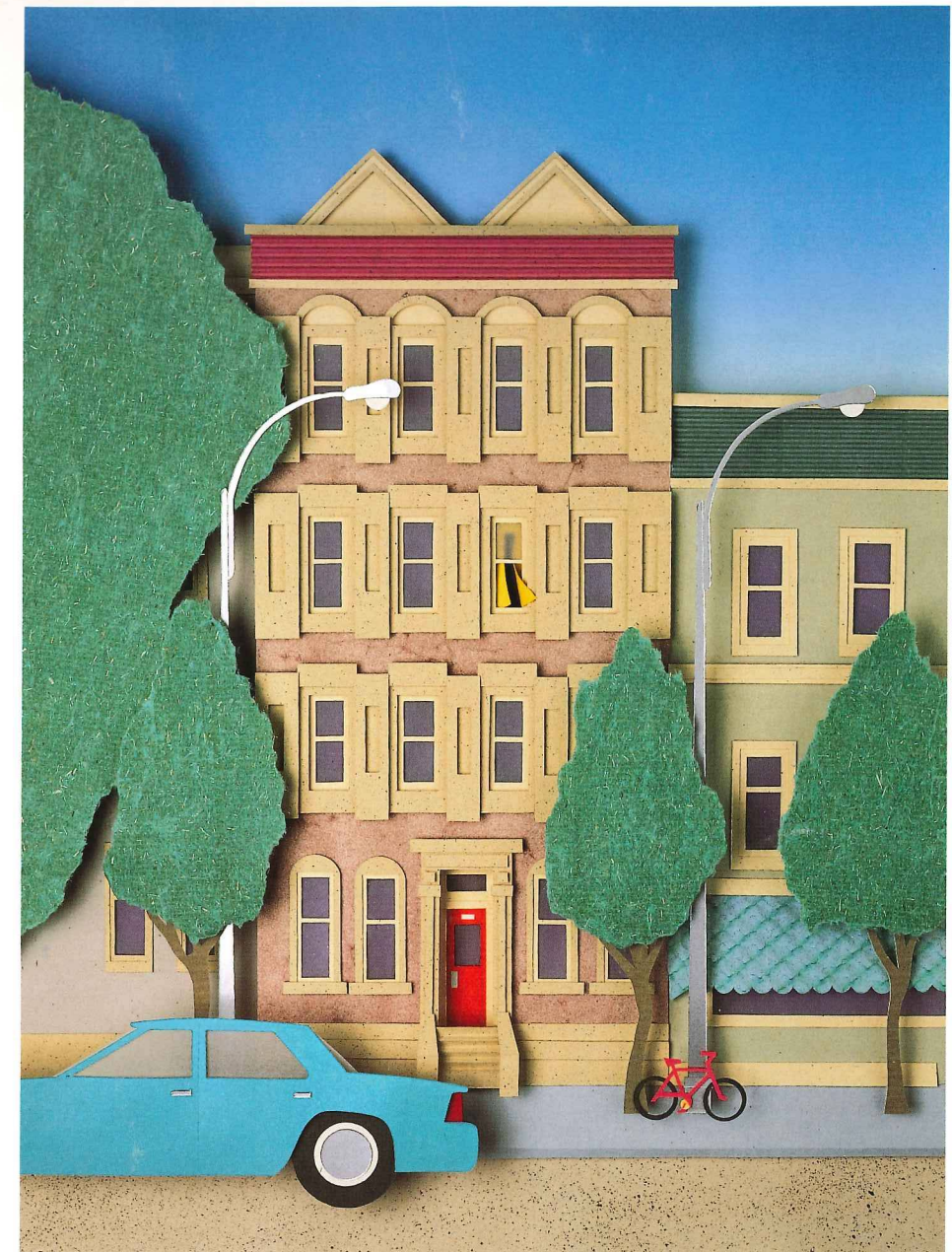


The Community Preservation Corporation
5 West 37th Street
New York, New York 10018
(212) 869-5300

1992 ANNUAL REPORT

Kumro

THE COMMUNITY PRESERVATION CORPORATION



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CPC
HIGHLIGHTS

The Community Preservation Corporation (CPC) is a private not-for-profit mortgage lender specializing in the financing of low and moderate income housing. Founded in 1974, CPC is sponsored by 50 banks and insurance companies based in the New York City metropolitan area. ♦ CPC passed a major milestone in 1992 — the construction of the thirty thousandth unit of affordable housing financed by the company. This represents an investment of over \$900 million of public and private funds. During 1992, CPC developed five new programs to serve a wider range of affordable housing needs. Three of these programs will expand CPC's financing programs to include the rehabilitation of one- to four-family homes and more flexible multifamily financing; the other two create new distribution networks through local community development organizations and banks. ♦ The new CityHomes and Brownstone Lending programs are specifically designed for the rehabilitation of one- to four-family homes, providing homeownership opportunities in deteriorated and vacant buildings — both city- and privately-owned. The Fannie Mae Special Purchase Program will be used initially to enable CPC to lend to owners of buildings that are already physically sound but need refinancing. This program is an important demonstration of how the national mortgage agencies can support the provision of long-term financing for affordable multifamily housing. ♦ The goal of the Community Loan Origination Program and Adopt-a-Neighborhood is to increase the flow of CPC and other private funds into the neighborhoods that need them. The Community Loan Origination Program taps the ability of community groups to reach building owners whose properties need rehabilitation, but who do not know how to obtain the needed private and public financing. Through Adopt-a-Neighborhood, CPC will train and work with bank staff to increase the accessibility of financing to building owners.

FISCAL YEAR PERFORMANCE 1991-1992

New Loans Closed (Dollars)

CPC & Other Private Funds.....	\$ 46,949,637
Public Funds.....	63,270,057
Total	\$110,219,694

New Loans Closed (Units)

Manhattan.....	934
Bronx.....	883
Brooklyn	348
Queens	30
Hudson Valley	199
Total	2,394

Permanent Loans Closed (Dollars)

CPC & Other Private Funds	\$18,547,842
Pension Funds*.....	43,698,303
Public Funds.....	96,503,289
Total	\$158,749,434

LENDING RECORD 1974-1992**

CPC Closed Loans (Dollars)	\$909,907,453
CPC Closed Loans (Units).....	31,037

* New York City Employees Retirement System, New York City Police Pension Fund, Teachers Retirement System of the City of New York, and New York State Common Retirement Fund.

** Includes \$19,161,969 and 225 units of end loans.

32394
167704536

♦ The last vacant building on its block, 502 West 176th Street in Manhattan was rehabilitated for moderate income tenants with financing from CPC and NYC's Vacant Building Participation Loan Program. The State of New York Mortgage Agency (SONYMA) is providing mortgage insurance.



♦ From left to right:
Raymond V. O'Brien, Jr.,
Chairman of the
Executive Committee;
Harry D. Garber,
Chairman; and Michael
D. Lappin, President &
CEO.

TO OUR MEMBERS

As the 1992 election year draws to a close, a new president and congress promise a new focus on the nation's domestic needs. Improving the supply of housing for low and moderate income families should rank high on the list of priorities. ♦ Constructing new housing or rehabilitating existing units is a daunting challenge. Making this housing affordable requires vast financial resources. Yet governments at all levels are financially strained. The private sector is hurting from a prolonged recession. And the banking industry — a key provider of housing money — is still undergoing a major upheaval. ♦ Despite the economic problems of 1992 as they affected the New York area, CPC managed to sustain a high level of affordable housing production, both new construction and rehabilitation. The results are documented in this annual report. We foresee continued progress in 1993. The key to maintaining our program even in these hard times is the working relationship we have formed over the years between government and private lenders. ♦ The CPC model for housing production is simple, efficient, and durable. At its core has been the creation of an effective link between the owners and builders of low and moderate income housing and the capital markets. With financing in hand, these owners have released an energy that has spurred the revitalization of our many neighborhoods. ♦ This link has been forged by streamlining and blending public

programs with private funds, thus making financing accessible to building owners. This could not occur without the continued trust and confidence of state and local government. The result has been a demonstration of how large providers of capital can have a positive effect on rebuilding and maintaining our urban areas through investment that is consistent with safety and soundness. ♦ This model for public/private partnership is now being applied to the Hudson Valley and Long Island. It can work elsewhere in the nation. ♦ The accomplishments of 1992 do not diminish our concern about immediate local problems. High on the list are the rising financial pressures on multifamily housing that could imperil many buildings throughout the City. These pressures stem from a combination of government actions and mandated costs and the economy. ♦ Over the past four years real estate taxes have increased by over 50 percent largely due to elevated assessments reflecting the inflated real estate values of the 1980's. Taxes now represent more than 23 percent of operating costs in rental buildings. ♦ Water and sewer charges have tripled since 1986. They will go even higher with water metering which will affect all properties by 1998. The impact will be the greatest on buildings with low and moderate income tenants whose household size tends to be larger. ♦ Lead cleanup in older properties presents a new building cost of unknown proportions. Regulations for lead removal or encapsulation are now being developed. Removal costs could reach \$15,000 per unit. Litigation costs could be

much higher. ♦ In the face of these cost increases are the difficulties many New Yorkers have in meeting their housing costs. Employment has declined by over 200,000 jobs in the last three years and welfare rolls are at their highest levels since the mid-seventies. Growing social problems — including drugs — exacerbate the already precarious economic condition of many buildings in our neighborhoods. And less favorable tax treatment resulting from the 1986 federal tax law has reduced incentives for owners to carry buildings through hard times. The weight of all of these problems places these buildings at higher risk. ♦ The lower cost of debt is one of the few bright spots in this picture. But access to these funds is limited due to the problems faced by many banks and the increased caution of all private lenders. ♦ CPC is working with its member financial institutions, the city and state government, local community groups, and with national mortgage agencies to develop new funding sources and approaches. These include financing programs that do not require public credit enhancement; reinsurance programs that would expand the capacity of state and local mortgage insurance programs; and outreach programs by member banks and community organizations to help distressed buildings in their neighborhoods. ♦ These efforts are more fully explained in this annual report. ♦ Finally, we want to recognize the service of those individuals who retired from the CPC Board and

Mortgage Committee this year. The Corporation has enjoyed the support and leadership of Board member William Lillis since 1982. Gerald Levy and Robert Laughlin served on the Board with distinction for four and two years, respectively. Retiring this year from Mortgage Committee are former Chairman, NYC and Mid-Hudson Valley, Edward Philipps; former Vice Chairwoman, NYC, Andrea Glickhouse; Peter Succoso; and Floyd Wiggins. We thank them all for their hard work and dedication.

Harry D. Garber

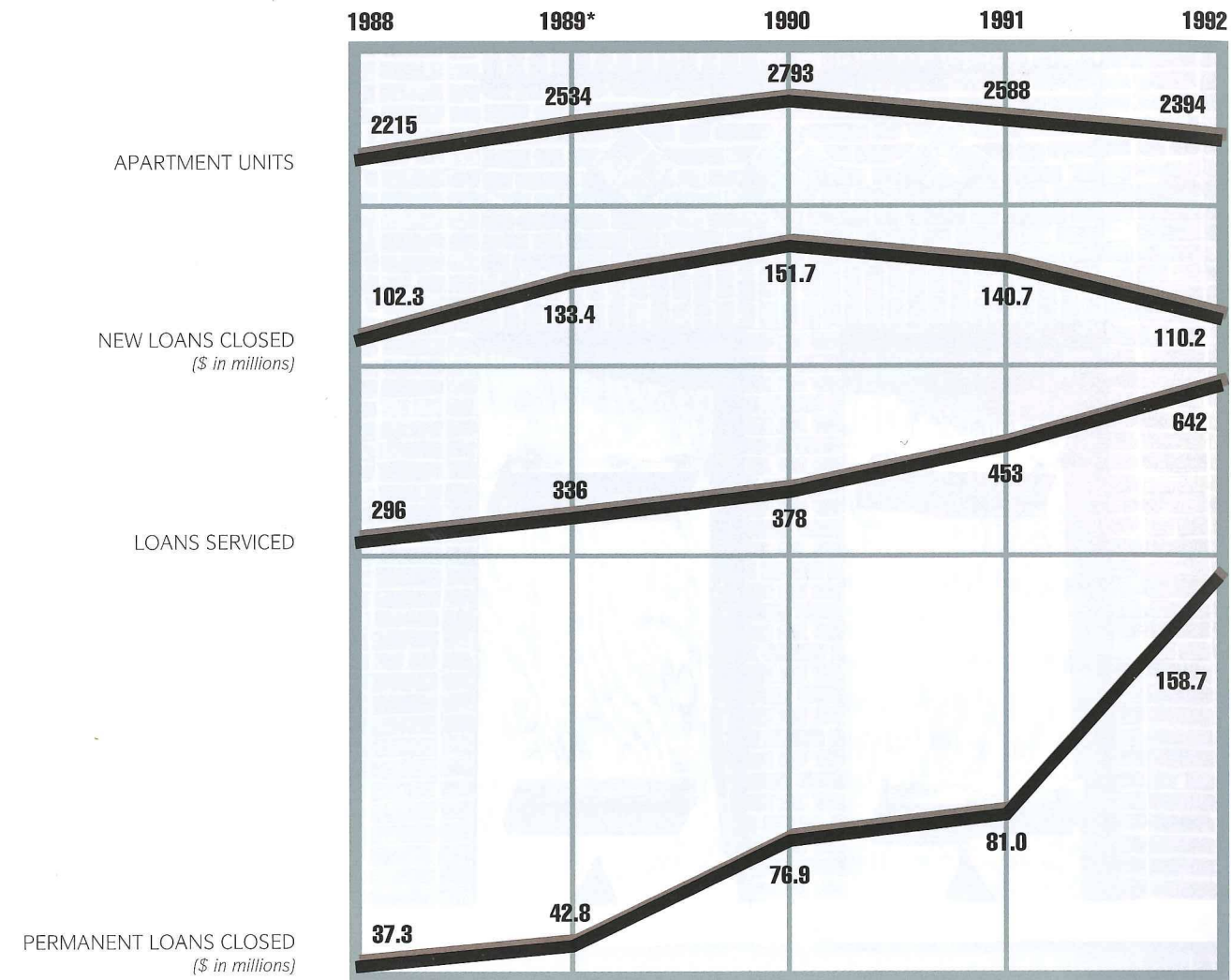
Harry D. Garber
Chairman

Raymond V. O'Brien, Jr.

Raymond V. O'Brien, Jr.
Chairman of the Executive Committee

Michael D. Lappin

Michael D. Lappin
President & CEO



*FY 88-89 contained 10 months.



♦ Four apartment buildings containing 82 units for moderate income tenants have been renovated under NYC's Vacant Building RFP Program at Adam Clayton Powell Jr. Boulevard and 116th Street in Harlem.

CPC LENDING AREAS



HUDSON VALLEY
Invested Funds
\$17,440,925
Units
329

BRONX
Invested Funds
\$293,631,691
Units
9,049

LONG ISLAND
Committed Funds
\$7,149,000
Units
76

MANHATTAN
Invested Funds
\$315,837,151
Units
11,606

QUEENS
Invested Funds
\$30,532,824
Units
1,859

BROOKLYN
Invested Funds
\$251,239,862
Units
8,181

STATEN ISLAND
Invested Funds
\$1,225,000
Units
13



♦ The former Board of Education building in Yonkers was adaptively reused to create 27 affordable apartments.

**CPC:
A SINGLE
PURPOSE
ENTITY**

*... to work with communities
to help them meet their
affordable housing needs ...*

In 1974, 39 of New York's major commercial and savings banks joined forces through CPC to improve the City's housing supply. The effort began with the financing of moderate rehabilitation of tenement buildings in northern Manhattan and central Brooklyn. CPC is now an organization of 50 commercial and savings banks and insurance companies financing a range of affordable housing products in low and moderate income neighborhoods in New York City, in the Hudson Valley, and on Long Island. It finances new construction for first-time buyers, senior citizen housing, homeless housing, and rental and for-sale housing for low and moderate income families. ♦ In addition to being a leading source for primary financing for affordable housing in its

lending area, CPC is working to expand the secondary market for affordable multifamily housing loans. Successful expansion of this market could have national implications. ♦ While CPC's goals are more ambitious and its activities more far-reaching than they were 18 years ago, its fundamental purpose remains the same: to work with communities to help them meet their affordable housing needs.



♦ The buildings at Stuyvesant Court in Brooklyn were vacant prior to their renovation under NYC's Rehab & Sale Program. Eighteen 1-, 2-, and 3-bedroom condominiums were created at sales ranging from \$50,000 to \$70,000 per unit.



PUBLIC ENVIRONMENT

To assist a community in meeting its affordable housing goals, CPC works at two levels. First, it looks at local regulations and policies and examines their impact on housing. CPC has been an active participant in debates in New York City regarding property taxation, water and sewer fees, rent laws, and other issues that affect the economics of housing. ♦ Second, CPC works with government to shape specific programs to address particular housing needs. In a detailed fashion, CPC tries to combine and streamline public programs

so that they mesh with private financing. A recent example of this is New York City's vacant building program, which was responsible for recycling over 11,000 units of vacant city-owned property into affordable private rental housing. ♦ On the first level, CPC seeks to improve the environment for housing investment. On the second, it helps to make the investment happen.

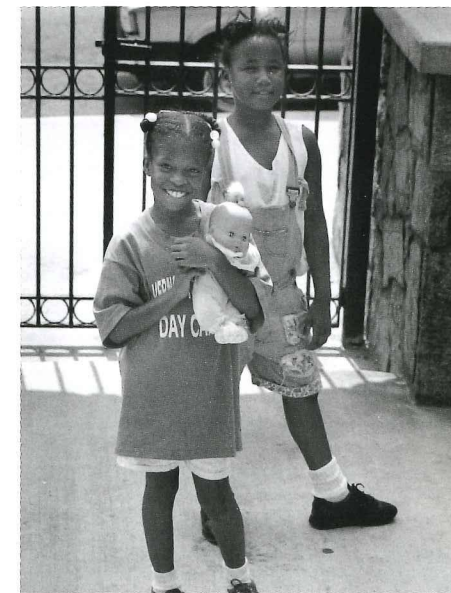


♦ Top: Financed by CPC in conjunction with NYC's Rehab & Sale Program, the condominiums at Bainbridge Mews are now up for sale for an average price of \$45,000 per unit. ♦ Bottom: 1723-1733 Union Street, Brooklyn was substantially rehabilitated with financing from CPC coupled with NYC's Participation Loan Program. Rents range from \$425 to \$725 monthly.

PRIVATE CAPITAL

Affordable housing requires major private investment as well as government money and support. Over \$30 billion would be required to preserve New York City's existing multifamily housing stock. To attract private capital, CPC creates affordable housing investments that pay market rates and conform with bank standards of safety and soundness. These investments have withstood the test of time. Losses have been negligible. ♦ This record has prompted other institutional investors — including the New York City Police Pension Fund and the New York City Employees Retirement System (NYCERS) — to provide funds for low and moderate income housing through CPC. With credit enhancement from SONYMA, these two pension funds became the first major source of new

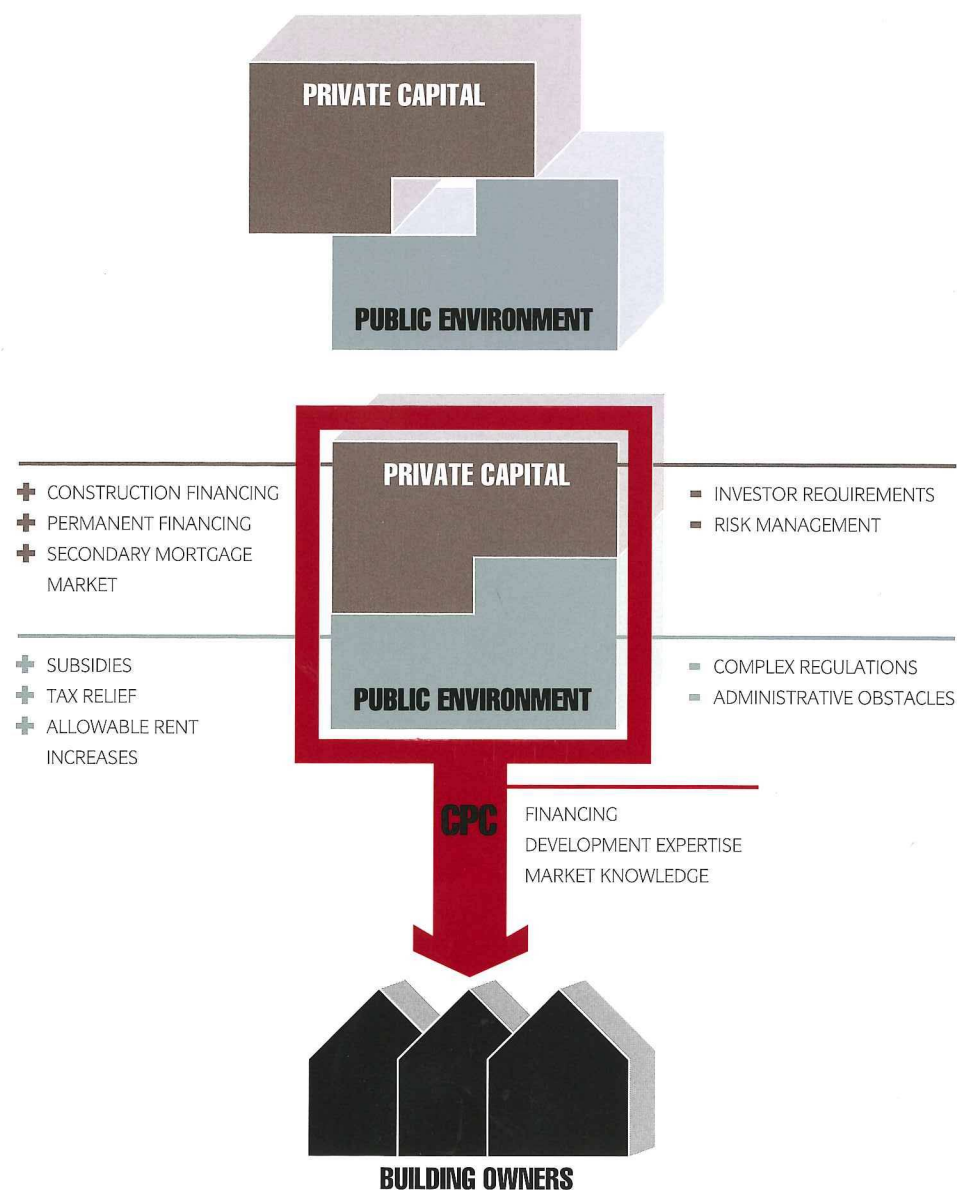
financing for CPC in addition to its sponsoring institutions. Their commitments to invest (together with the more recent commitment by the Teachers Retirement System of the City of New York) now total \$350 million. The New York State Common Retirement Fund also committed up to \$200 million of funds for affordable housing on the same basis. ♦ As a result of this program's success, NYCERS has committed to invest another \$100 million through other lenders for this same housing. ♦ Additional resources from secondary market institutions, described later in this report, promise to open the national credit markets to affordable multifamily housing. Acceptability in the secondary markets will allow a recycling of existing financing commitments.



♦ Top: Some of the younger residents enjoy the gated courtyard at 445 South Fourth Street, a rehabilitated apartment building in Mount Vernon with monthly rents ranging from \$600 to \$825 for a 3-bedroom apartment. ♦ Right: 672 Crotona Park South is one of four buildings that will contain a total of 54 apartments in the Morrisania section of the Bronx. The buildings are being developed under NYC's Vacant Building RFP Program. Rents are \$286 to \$636 monthly.

CPC: MERGING PUBLIC AND PRIVATE RESOURCES

Few units of affordable housing would ever be built without special efforts to make the entire process understandable and accessible to property owners. Left to their own devices, all but the most sophisticated owners would have great difficulty in obtaining and coordinating rehabilitation financing. To overcome this, CPC works with local government to simplify public programs and, wherever possible, to integrate them with the private loan origination process. ♦ CPC also offers technical assistance to owners. It provides them, for example, with construction specifications for common renovation items such as plumbing, heating, and windows. As CPC gains experience in each new market, it also develops a working knowledge of construction prices, contractor abilities, and other important aspects of the market, which helps owners who want to rehabilitate their buildings. ♦ CPC's business is the financing of affordable housing. This specialization gives the company a detailed understanding of the markets in which it is active and the abilities and needs of housing producers. CPC has streamlined its own processing, and that of government subsidy providers, to improve accessibility for small producers. The lower costs of these builders, combined with shorter processing times, reduces the amount of per unit subsidy needed and results in greater leveraging of scarce government resources.



♦ Detail from 723 MacDonough Street in Ocean Hill/Brownsville: 32 condominiums created for moderate income buyers under NYC's Rehab & Sale Program.



BROADENING FINANCIAL ACTIVITIES

CPC has significantly expanded its financial base by forging new relationships with New York State's Common

Retirement Fund, the Federal Home Loan Mortgage Corporation, and the Federal National Mortgage Association.

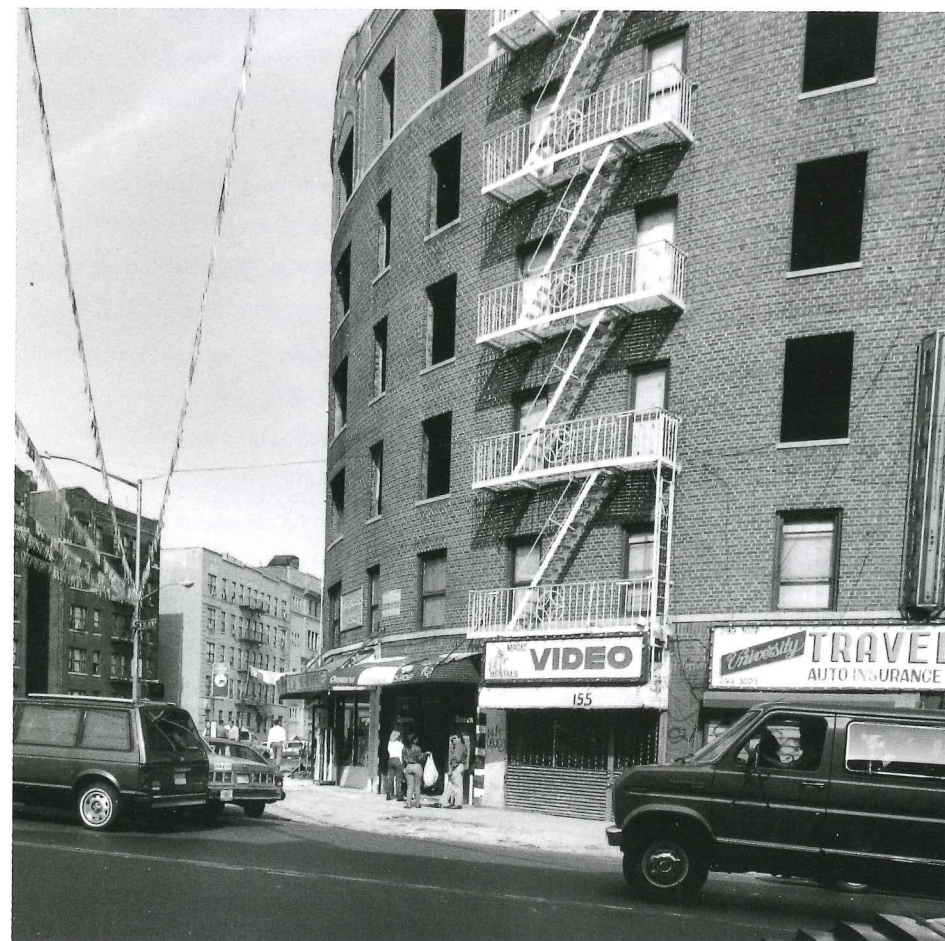
STATE PENSION FUND

During 1992 CPC began a new financial relationship by selling two loans, totaling \$630,000, to New York State's Common Retirement Fund (CRF). CRF has agreed to purchase a total of \$50 million in CPC loans from a total commitment of \$200 million. CPC's agreement with CRF is substantially the same as its Buy Sell Agreement with the New York City pension funds. Loans sold to CRF are 100 percent insured by SONYMA.

FREDDIE MAC CONSULTING

CPC is providing a range of financial services to the Federal Home Loan Mortgage Corporation (Freddie Mac), including loan servicing, valuation of assets, asset resolution, and training aimed at increasing staff understanding of the New York City multi-family housing market. Freddie Mac sought CPC's involvement as the agency undertook to manage the many delinquencies in its New York City portfolio. During the past year CPC assumed servicing responsibility for approximately 110 Freddie Mac multi-family mortgages on properties in CPC's traditional lending areas. The loans represent \$84 million in Freddie Mac investment. ♦ In addition to routine servicing, CPC is analyzing the debt restructuring and

rehabilitation needs for Freddie Mac's problem assets. For any defaulted loan, CPC recommends an asset resolution strategy to Freddie Mac. CPC is thereby able to assist the re-stabilizing of troubled buildings in CPC's neighborhoods. Continued deterioration would adversely affect the neighborhoods themselves, and years of CPC and public investment in them.



♦ CPC developed the rehab scope, identified a new owner (Survival Realty Associates, Steve Zervoudis and Chris Tsetsekas, principals), and arranged construction and permanent financing for 1800 University Avenue in the Bronx within two months of being called in by Freddie Mac to assist with the workout of this and other problem assets in Freddie Mac's NYC portfolio. Prior to CPC's involvement, former residents of 1800 University Avenue were being driven from their homes by drug activity. Rehabilitation, financed by CPC and NYC's Department of Housing Preservation and Development (HPD), is now underway and low income families are moving back in. Freddie Mac and HPD will be providing take-out financing.



FANNIE MAE SPECIAL PURCHASE PROGRAM

Shortly before the end of the 1992 fiscal year, CPC and the Federal National Mortgage Association (Fannie Mae) reached agreement in principle on the major terms of a program that will enable CPC to provide a borrower with refinancing if the building has already been rehabilitated to CPC's standards. This fills a major unmet need, as traditional sources of refinancing capital are not now active. In a Special Purchase Agreement executed in September 1992, Fannie Mae agreed to securitize up to \$50 million of CPC-originated first mortgages as long as a second

mortgage of between 10 and 15 percent of each individual transaction is retained. The Fannie Mae security, as well as a security backed by second mortgages, is being offered to CPC sponsors and others. ♦ By relying on CPC's ability to create sound investments, FNMA is making available new financial resources for affordable housing.

REINSURANCE PROGRAMS

To further expand secondary market access for affordable multifamily housing in its lending areas, CPC is exploring two new financing programs with national mortgage agencies. The first would involve reinsur-

ance of loans originated by CPC that carry top loss insurance from either the New York City Residential Mortgage Insurance Corporation (REMIC) or SONYMA. The second program would "credit enhance" tax-exempt mortgage-backed bonds, with CPC originating the mortgage loans backing the bonds. The bond proceeds would be used as long-term take-out financing for properties whose rehabilitation had been financed by CPC. As a result of these reinsurance programs, REMIC's and SONYMA's respective underwriting capacities can be leveraged several times.

♦ 453 West 143rd Street, Manhattan: 10 middle income condominium units, a gut renovation of a privately-owned building.

EXPANDING THE SERVICE NETWORK

A chronic problem affecting buildings with low income households is the failure of tenants' incomes to keep pace with rising operating costs. Left unattended

these buildings can quickly become deteriorated, posing a threat to the community.

♦ Special efforts are needed to make owners of these buildings more aware of public and private sources of financing and other forms of support that can address these problems.

COMMUNITY LOAN ORIGINATIONS

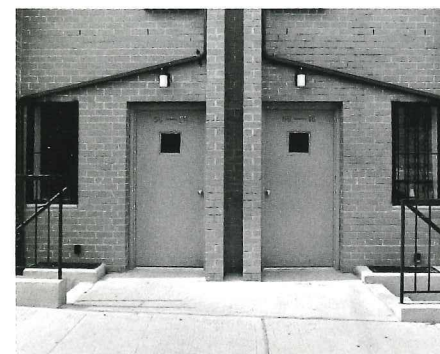
Under CPC's new Community Loan Origination Program, selected nonprofit community development groups will receive funding to help private owners of multifamily buildings obtain private and public rehabilitation financing. CPC will train a staff member from each community group on how to spot a problem building. The training includes assessing building conditions, putting together an application for financing, evaluating construction scopes and prices, and filing for benefits under relevant public programs. The community groups will then provide technical assistance to building owners in their neighborhoods. ♦ CPC is also exploring the provision of seed loans to emerging



neighborhood businesses that can be tied to the rehabilitation process. Such businesses could include, for example, property managers and local builders who can take advantage of public and private financing opportunities to upgrade residential properties.

ADOPT-A-NEIGHBORHOOD

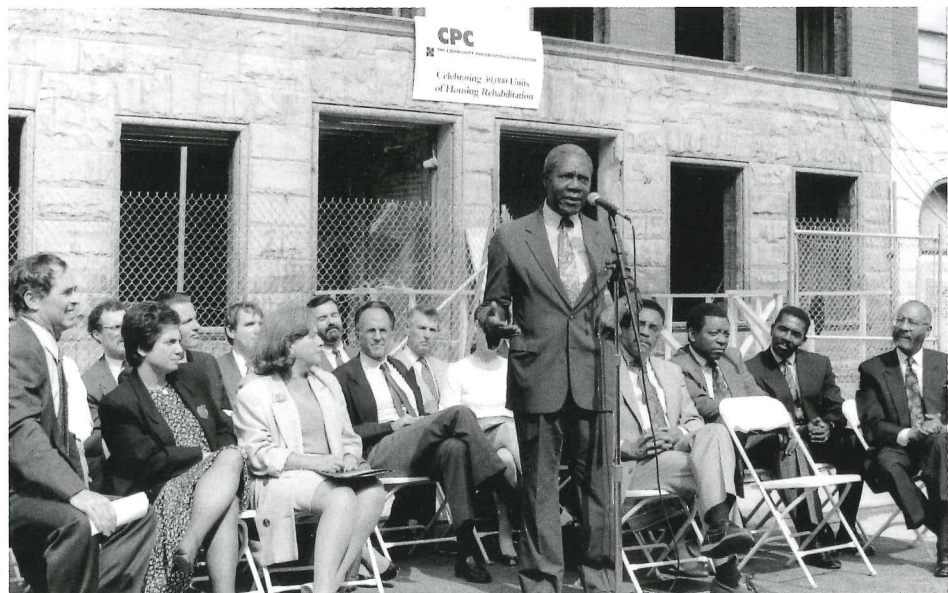
Local banks are well suited to spot problem buildings and to direct owners to programs that can help. Adopt-a-Neighborhood, a joint initiative of HPD and CPC, will enlist the talents of loan officers in participating banks to identify buildings in need of rehabilitation, to underwrite rehabilitation loans, and to use public subsidies and other programs that will make the loans affordable.



♦ Top: 510 Crown Street in Brooklyn features 3- and 4-bedroom condominiums for moderate income families. ♦ Left: 24 rental units on Waldron Street in Corona, Queens were newly constructed for moderate income tenants without any public subsidy.



♦ Front Row (left to right): Mark Willis, Chase Community Development Corporation; Dail St. Claire Simmons, Bureau of Asset Management, City of New York; Shirley Clairborne, Community Board 10; Michael Lappin, CPC; Back Row (left to right): William Rogers, Greater Harlem Chamber of Commerce; Jerome McDougal, River Bank America; Jansen Noyes III, Emigrant Savings Bank; Frank Turner, Project Architect; Robert Lehrman, Community Bankers Association of New York State; Al Cole, Cruiserweight Boxing Champion and Friend of Greater Harlem Chamber of Commerce; Guy Lawrence, Tishman Realty Corporation; Lloyd Williams, Greater Harlem Chamber of Commerce; Glen Coverdale, Metropolitan Life Insurance Company.



♦ Archie Spigner, Deputy Majority Leader of the New York City Council, addresses NYC Housing Commissioner Felice Michetti, Deputy Mayor Barbara Fife, and other city and state officials.

Elected officials, community leaders, and residents joined CPC and the Greater Harlem Chamber of Commerce at Strivers Plaza to celebrate the construction of CPC's thirty thousandth unit of affordable housing. The many public and private partners that make this housing possible were recognized at this ceremony.

CELEBRATING 30,000 UNITS

♦ Bottom: The 48-unit Strivers Plaza project is the residential component of a comprehensive plan by the Uptown Housing Partnership to improve housing and commercial opportunities in central Harlem and restore formerly great jazz clubs to their previous status. Located on 135th Street west of Adam Clayton Powell Jr. Boulevard, Strivers Plaza is being financed by CPC and NYC's Participation Loan Program. Three-bedroom apartments will rent for \$700.

♦ Top Right: The NYS Affordable Housing Corporation and CPC are financing Fulton Terrace Condominiums, 16 new townhouses in Mount Vernon for moderate income first-time home buyers. The site was part of a city-sponsored RFP Program. ♦ Center Right: 1700 & 1730 Harrison Avenue, Bronx: a CPC gut renovation under NYC's Vacant Building Participation Loan Program. The project contains 156 apartments renting for \$275 to \$625 monthly. ♦ Bottom Right: 680 Monroe Street, Brooklyn: 24 rental apartments renovated for low and moderate income households under NYC's Vacant Building RFP Program. ♦ Below: Overlooking Jackie Robinson Park in Harlem, 281 Edgecombe Avenue is a 49-unit moderate rehabilitation project financed by CPC and NYC's Participation Loan Program. Two-bedroom apartments rent for \$545 monthly.

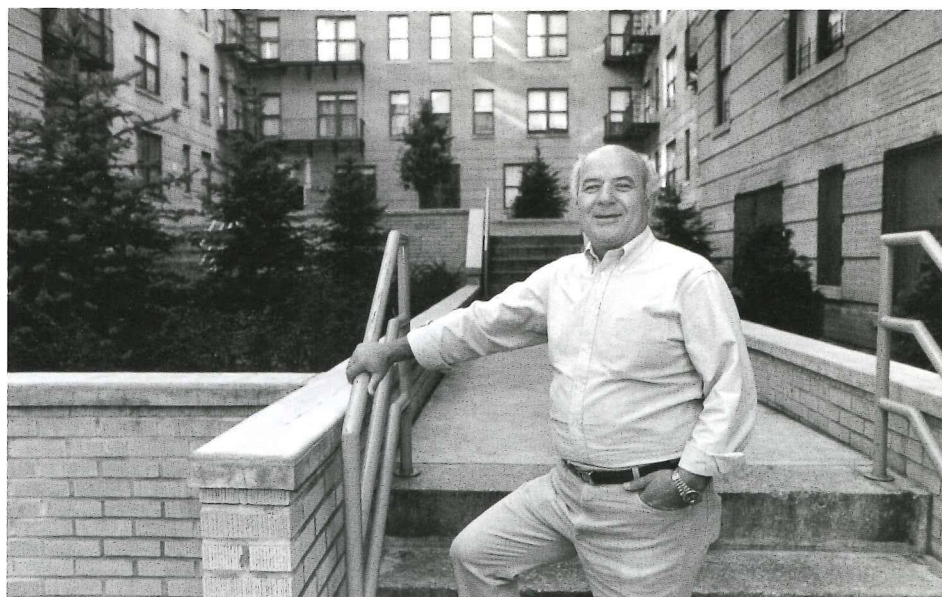


◆ Below: Lee Chong and Chris Kui of AAFE at 77 Avenue C, 16 apartments for low income tenants. CPC, NYC's Participation Loan Program, and the NYS Housing Trust Fund are providing the permanent financing. ◆ Bottom: The first recipients of a Challenge Investment loan under CPC's Community Loan Origination Program, AAFE staff are pictured here outside their office.

ASIAN AMERICANS FOR EQUALITY (AAFE)



◆ Top: Emmanuel Archakis was a partner in the development team and the general contractor for Sheridan Court in the Bronx, a 128-unit gut rehab financed by CPC for low and moderate income tenants.



EMMANUEL ARCHAKIS

One of the results of CPC programs over the past 18 years has been the development of a cadre of mid-sized builders who do the renovation work efficiently and whose evolution represents an important part of small business development in New York. An example is the United General Construction Corp. and its president, Emmanuel Archakis. ◆ Manny Archakis was born in Crete 58 years ago. He came to New York by way of Montreal in 1969 and made a living here doing carpentry and drywall construction. In 1980 he started his own construction company. Assembling what he calls "a handful of key people," Archakis successfully worked the high end of the renovation business in Manhattan. "I made a living at it," says

Archakis, "but I really wanted to move to a broader market and do housing for working people." ◆ His opportunity came in 1987 when his company was awarded a general subcontract on a CPC/HPD project under the Vacant Building RFP Program. The efficiency and quality of his work caught the attention of CPC's staff who supported Archakis's decision to assume a development role on a second project. The United General Construction Corp. successfully completed that job and subsequently took on several other CPC projects in Manhattan and the Bronx. By 1989 United assumed a developer's role in two other projects and to date has renovated over 800 dwelling units that have been financed by CPC.

BANANA KELLY

Banana Kelly's rehabilitation of 850 Longwood Avenue is a major milestone for the South Bronx community development organization. The 34-unit elevator building stands right next to the elevated Prospect Avenue stop of the Lexington Avenue subway line. This prominence makes it an important symbol in the very heart of the neighborhood that Banana Kelly has been trying to save for the past 16 years. ◆ Yet the building was in terrible condition. A succession of owners had taken rent money out of 850 Longwood but had invested virtually nothing into it. By 1990 only one third of the apartments were occupied. The tenants had neither heat nor running water. To make matters even worse, the building had become a haven for neighborhood drug dealers. ◆ By working with the tenants to salvage the building, Banana Kelly not only scored a major victory for the neighborhood but moved in a new direction as an organization. "This was our first purchase from a private owner," says Yolanda Rivera, the



head of the Banana Kelly board. "For a down payment of \$32,500, we took it over from the Bank of Tokyo, which held the mortgage and was about to foreclose." With CPC's help and encouragement, Banana Kelly assumed for the first time the role of a private developer. CPC lent approximately \$600,000 of the \$2,200,000 Banana Kelly needed to buy and rehabilitate the building. The remainder came from the City's Participation Loan Program and a federal grant.

◆ Top: 850 Longwood Avenue. ◆ Bottom: Banana Kelly staff outside their South Bronx office.





◆ Members of the community were involved in negotiations to ensure that existing low and moderate income tenants would continue to occupy 515 West 187th Street in Manhattan after its rehabilitation. A combination of federal, city, and private funds financed the moderate rehabilitation of this 43-unit apartment building.

FINANCIAL OVERVIEW

The Community Preservation Corporation completed its eighteenth year with an operating surplus of \$1.7 million. Accumulated surpluses and reserves from all years now total approximately \$11.3 million. Income from operations has exceeded expenses in each year since 1979. This financial stability enables an assertive pursuit of CPC's objectives: 1) It furnishes a reserve against possible losses on construction loans, which carry inherent risks and are generally ineligible for mortgage insurance. CPC's construction and warehoused loan balances totaled \$100.7 million at this year's end, with another \$39.5 million yet to be funded on closed loans. Over 50 percent of the company's construction lending this year represents financing of gut rehabilitations of vacant buildings, which carry greater construction risks than do rehabilitations of occupied properties. 2) It satisfies the working capital requirement under the revolving credit agreement with CPC's members and supplies the mandated financial strength for CPC's continued eligibility as an FHA-approved lender. 3) It provides the minimum financial requirements for seller/

servicer status for the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. 4) It enables CPC to expand its range of services. This year CPC made its first loan commitment on Long Island, CPC's newest lending area. ◆ There are three major sources of CPC's net income: interest spread on construction loans, commitment fees, and servicing fee income. Servicing fee income has made a larger contribution to income in recent years, largely reflecting cumulative portfolio growth from past originations. CPC serviced more than \$900 million in mortgages at year-end for its own account and on behalf of participants, investors, and other servicing clients. ◆ Prospects for the future, while favorable, are subject to fluctuations in several factors: cyclical economic trends including, in particular, employment trends for city residents and the rising government levies on housing, especially taxes and water/sewer billings; the continued supply of public subsidies; and the efficient functioning of government agencies affecting rental housing.

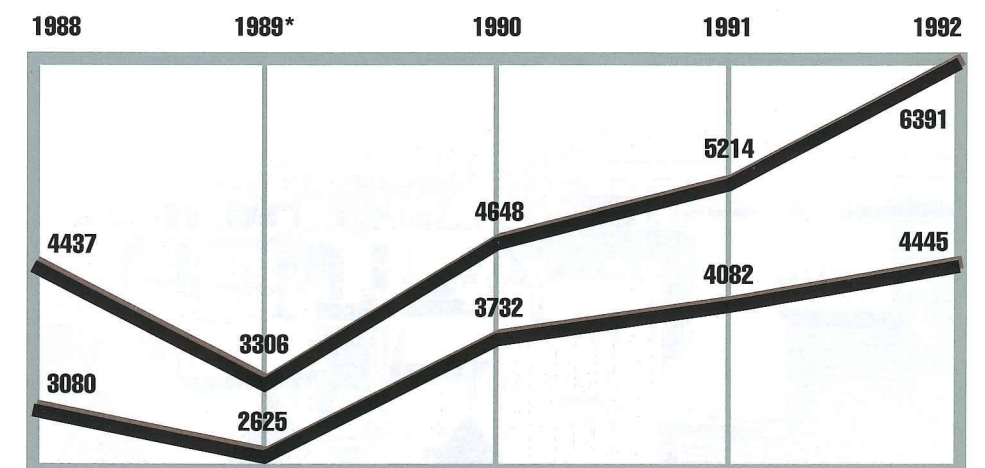


◆ 106-120 West 114th Street, Manhattan: One of five vacant buildings renovated into 50 units of low and moderate income housing under NYC's Vacant Building RFP Program.

CPC INCOME AND EXPENSES (\$ in thousands)

REVENUES AND PUBLIC SUPPORT,
NET OF INTEREST EXPENSE

EXPENSES OTHER THAN INTEREST



*In comparing this year's results with those of prior years, it should be noted that FY 1988-1989 contained only 10 months due to a change in the company's fiscal year-end.

To the Board of Directors of The Community Preservation Corporation:

We have audited the accompanying balance sheets of The Community Preservation Corporation (a New York not-for-profit corporation) as of June 30, 1992 and 1991, and the related statements of support, revenues and expenses and changes in fund balance for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits. ♦ We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. ♦ In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Community Preservation Corporation as of June 30, 1992 and 1991, and the results of its operations and changes in its fund balance for the years then ended in conformity with generally accepted accounting principles.

Arthur Andersen & Co.

New York, New York
September 22, 1992



♦ 201 West 111th Street, Manhattan: 89 apartments for low and moderate income tenants, a CPC gut renovation under NYC's Vacant Building RFP Program.

June 30, 1992 and 1991

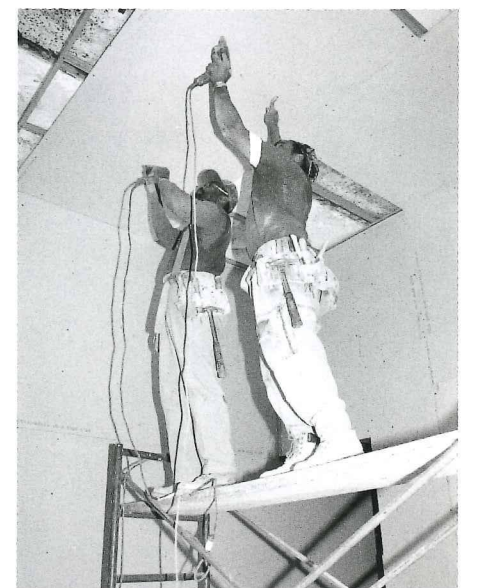
ASSETS	1992	1991
INVESTMENT IN FIRST MORTGAGE LOANS, net of participations, deferred commitment fees and allowance for possible investment losses (Notes 3 and 4):		
Construction loans	\$ 66,569,603	\$ 71,344,397
Permanent mortgage loans	34,187,485	12,330,654
	<u>100,757,088</u>	<u>83,675,051</u>
CASH AND CASH EQUIVALENTS, including restricted funds of \$83,048,785 and \$99,619,962 in 1992 and 1991, respectively (Note 8)	94,441,129	108,918,622
ACCRUED INTEREST RECEIVABLE	1,034,555	1,011,606
OTHER RECEIVABLES	2,346,572	3,393,156
OTHER ASSETS, net	1,412,545	1,502,420
	<u>\$199,991,889</u>	<u>\$198,500,855</u>
LIABILITIES AND FUND BALANCE	1992	1991
LIABILITIES:		
Notes payable under revolving credit agreement — unsecured (Note 5)	\$ 66,000,000	\$ 58,000,000
Accounts payable and accrued expenses	4,275,975	3,564,192
Participants' deposits (Note 8)	86,945,088	103,210,777
Escrow and other deposits of borrowers	32,389,034	25,090,158
	<u>189,610,097</u>	<u>189,865,127</u>
COMMITMENTS AND CONTINGENCIES (Notes 3 and 10)		
FUND BALANCE	10,381,792	8,635,728
	<u>\$199,991,889</u>	<u>\$198,500,855</u>

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

mostly due from going out of pocket to participants

CTN 3 mo. payables bonus accrual 1 mg fees accrued go. posits why also into escrow int payable

♦ HUD awarded a Housing Development Action Grant (HoDAG) to help finance the conversion of Manhattan's former P.S. 157 into 73 apartments for low and moderate income tenants.

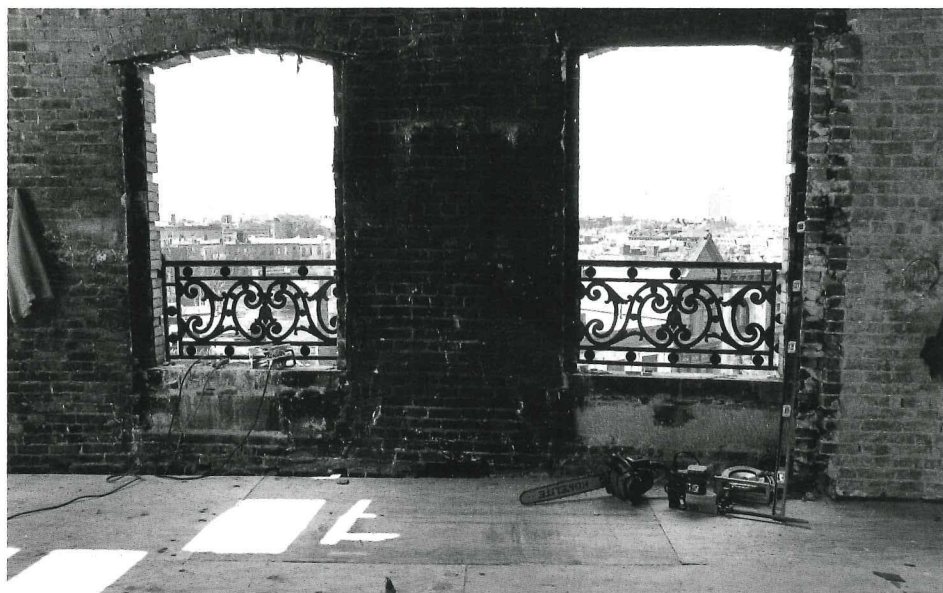


**STATEMENTS OF SUPPORT,
REVENUES AND EXPENSES AND
CHANGES IN FUND BALANCE**

For the years ended June 30, 1992 and 1991

	1992	1991
REVENUES AND PUBLIC SUPPORT:		
Interest on first mortgage loans	\$ 7,843,773	\$8,259,183
Servicing fee income.....	1,947,898	1,538,657
Interest on short-term investments	621,064	603,343
Commitment fees	398,022	236,522
Other revenues.....	372,318	234,802
Public support	75,800	75,000
Total revenues and public support.....	11,258,875	10,947,507
EXPENSES:		
Interest expense (Note 9).....	4,867,520	5,733,644
Employee compensation and benefits (Note 11)	2,242,894	1,956,174
Professional fees	454,484	489,280
Office expenses (Note 10)	746,286	707,568
Depreciation and amortization.....	369,722	333,030
Other expenses	631,905	595,741
Total expenses	9,312,811	9,815,437
PROVISION FOR POSSIBLE INVESTMENT LOSSES	200,000	200,000
EXCESS OF REVENUES AND PUBLIC SUPPORT OVER EXPENSES AND PROVISION FOR POSSIBLE INVESTMENT LOSSES.....	1,746,064	932,070
FUND BALANCE, beginning of year	8,635,728	7,703,658
FUND BALANCE, end of year	\$10,381,792	\$8,635,728

The accompanying notes are an integral part of these statements.



♦ Located on the corner of Macon and Fulton Streets in Bedford-Stuyvesant, this vacant city-owned building is being substantially rehabilitated to provide apartments for 20 low and moderate income households.

**NOTES TO
FINANCIAL
STATEMENTS**

For the years ended June 30, 1992 and 1991

1. ORGANIZATION AND PURPOSE

The Community Preservation Corporation ("CPC" or the "Corporation") was incorporated on July 10, 1974, under the Not-For-Profit Corporation Law of the State of New York, for the purpose of making mortgage financing available in selected neighborhoods which are experiencing deterioration or disinvestment.

The Corporation accomplishes its purpose by making construction and permanent mortgage loans to the private sector for the development and preservation of residential properties in low and moderate income areas of New York City and surrounding areas within New York State. The housing stock of certain communities within these areas is experiencing physical deterioration which the Corporation's management believes can be preserved through the combined effort and resources of government and the private sector. Governmental agencies and private sector organizations participate with the Corporation in many of the mortgage loans that it originates.

Membership in the Corporation is achieved by obtaining approval of the Board of Directors, making a capital contribution to the Corporation, and committing to participate as a lender in the revolving credit agreement and the nonrecourse collateral trust note purchase agreement (Notes 5 and 6). Capital contributions are evidenced by nontransferable capital certificates which are not redeemable. The Corporation is prohibited from distributing any assets or property to any individual or member of the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of CPC 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; therefore, no provision for income taxes has been recorded.

Income Recognition

Interest on construction loans is accrued monthly based on the daily outstanding principal balances of such loans. Servicing fee income on loans serviced by the Corporation is accrued monthly based on the outstanding principal balances of such loans or on the aggregate amount of unadvanced deposits made by participating lenders to fund their share of construction loan commitments, or both as applicable.

The Corporation ceases to accrue interest on specific loans for financial reporting purposes when required payments of principal and/or interest have not been received for a period of more than 90 days. In such circumstances, the Corporation also reverses any previously recorded unpaid interest.

Commitment Fees

Commitment fees are charged to prospective borrowers principally to offset the Corporation's costs of originating construction loans. Direct loan origination costs are offset against any related commitment fees collected and the net amount is deferred.

If the commitment is exercised, the net deferred amount is recognized over the life of the loan as an adjustment to income. If the commitment expires unexercised, the deferred portion is recognized in income upon expiration of the commitment. If the loan is subsequently sold, any remaining deferred balance is recognized in income at the time of the sale. As of June 30, 1992 and 1991, net deferred commitment fees consisted of the following:

	1992	1991
Unamortized deferred commitment fees	\$3,565,383	\$3,421,403
Unamortized deferred loan origination costs.....	(2,714,992)	(2,162,200)
Total	\$ 850,391	\$1,259,203

Net deferred commitment fees are included on the balance sheets as part of the Corporation's investment in first mortgage loans (Note 3).

Pledged Mortgage Loans

Mortgage loans pledged 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 the nonrecourse collateral trust notes (Note 6) in the accompanying financial statements.

Depreciation and Amortization

Office furniture and equipment, computer equipment and automobiles are depreciated using the straight-line method over their estimated useful lives which range from 5 to 8 years. Purchased computer software is amortized over 5 years.

Cash Equivalents

The Corporation defines cash equivalents as short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities, at the date of acquisition, of 90 days or less.

Reclassifications

Certain prior year amounts have been reclassified to make them comparable to the current year presentation.



♦ 35 units on Vermont Street in the East New York section of Brooklyn are being renovated for moderate income homeowners in conjunction with NYC's Rehab & Sale Program.

3. INVESTMENT IN FIRST MORTGAGE LOANS AND RELATED COMMITMENTS

The following is a summary of closed first mortgage loans as of June 30, 1992 and 1991 (000's omitted except for number of loans):

1992	Construction	Permanent	Total
NUMBER OF LOANS.....	140	311	451

FUNDED COMMITMENTS:

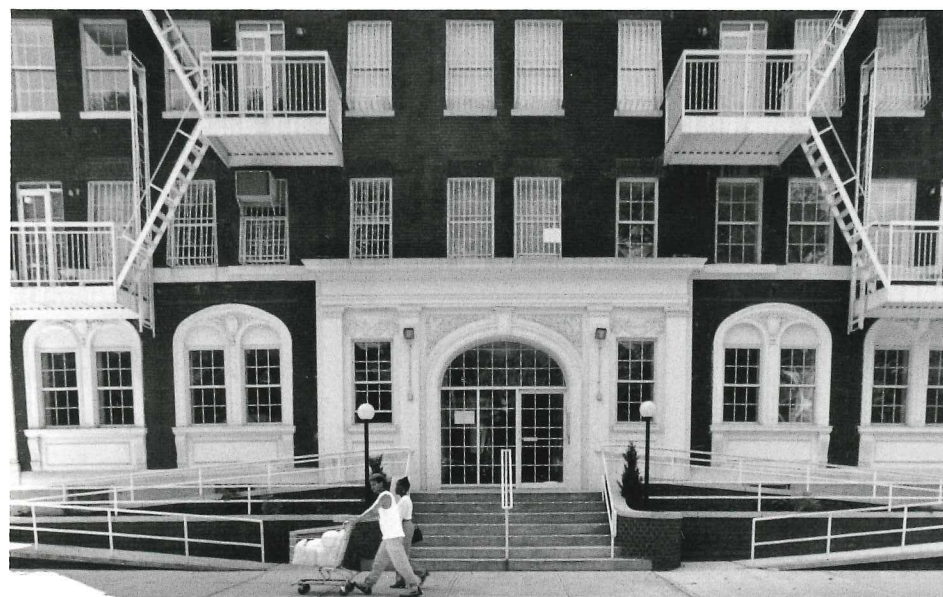
Total funded balance, net of repayments.....	\$230,382	\$363,209	\$593,591
Less			
Participants' interests.....	162,162	205,299	367,461
Mortgage loans sold (Note 7)	—	83,838	83,838
Mortgage loans pledged (Note 6)	—	39,785	39,785
Corporation's portion.....	68,220	34,287	102,507
Allowance for possible investment losses	(900)	—	(900)
Net deferred commitment fees.....	(750)	(100)	(850)
	\$ 66,570	\$ 34,187	\$100,757

1991	Construction	Permanent	Total
NUMBER OF LOANS.....	131	275	406

FUNDED COMMITMENTS:

Total funded balance, net of repayments.....	\$250,352	\$251,676	\$502,028
Less			
Participants' interests.....	177,087	138,674	315,761
Mortgage loans sold (Note 7)	—	60,514	60,514
Mortgage loans pledged (Note 6)	—	40,119	40,119
Corporation's portion.....	73,265	12,369	85,634
Allowance for possible investment losses	(700)	—	(700)
Net deferred commitment fees.....	(1,221)	(38)	(1,259)
	\$ 71,344	\$ 12,331	\$ 83,675

◆ 510 Crown Street, Brooklyn: 14 unsubsidized condominiums for moderate income families, financed by CPC.



At June 30, 1992, the Corporation is obligated to fund the following additional construction loan commitments (000's omitted except for number of loans):

	Number of Loans	Amount
Existing construction loans	140	\$39,457
Commitments for new loans including those for which borrower acceptance is pending	71	32,418
Total.....	211	\$71,875

The Corporation's participants in various existing construction loans and commitments for new construction loans are obligated to lend an aggregate of an additional \$71 million in connection with such loans and commitments.

At June 30, 1992, the Corporation was providing construction loan servicing with respect to loans originated by others on a portfolio of loans with an aggregate outstanding balance of approximately \$215 million. In addition, under servicing agreements entered into during 1992, the Corporation is providing permanent loan servicing with respect to loans owned by Freddie Mac with an aggregate outstanding balance of approximately \$84 million.

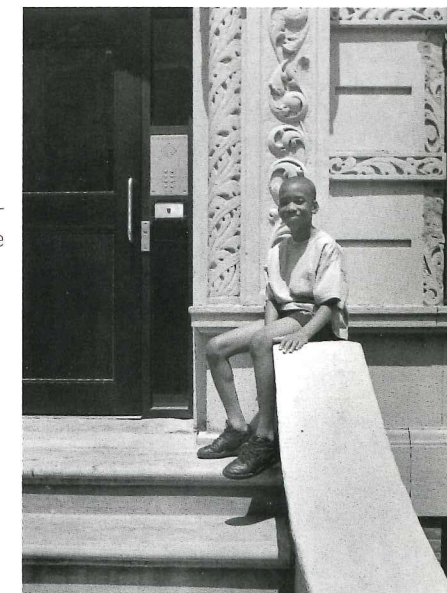
4. ALLOWANCE FOR POSSIBLE INVESTMENT LOSSES

The Corporation maintains an allowance for possible investment losses on its portion of the mortgage loan portfolio at a level which, in management's judgment, is adequate to reflect potential losses which may result from known adverse conditions affecting the ability of the Corporation's borrowers to meet their obligations to the Corporation.

Substantially all permanent mortgage loans which are held by the Corporation (including the interests of non-governmental agency participants), pledged to secure nonrecourse collateral trust notes or sold to city or state pension funds, are insured with the Rehabilitation Mortgage Insurance Corporation ("REMIC") or the State of New York Mortgage Agency ("SONYMA"). The REMIC and SONYMA programs provide insurance coverage against losses resulting from the foreclosure and sale of the mortgage loan. These programs provide insurance in amounts ranging from the first 50% up to 100% of the principal balance of each loan, covering losses of principal, unpaid interest and costs of foreclosure and sale. The Corporation's management believes that these insurance programs make remote the probability of the Corporation incurring any losses on permanent mortgage loans.

*Indo Gira
company vs.
100 mm
encl. sheet*

Construction loans in the Corporation's portfolio are not presently eligible for REMIC or SONYMA insurance and, accordingly, the Corporation and its participants bear the entire risk of losses as a consequence of borrower defaults. There are significant risks associated with the financing of residential construction projects which may increase or decrease as a result of changes in general economic or other conditions affecting the Corporation's borrowers.



In addition to national or local general economic conditions, the ability of the Corporation's borrowers to meet their obligations to the Corporation depends upon, among other things, their ability to: complete construction work on a timely basis within acceptable standards and at the contemplated cost; successfully market condominium or cooperative housing units or, alternatively, convert them to rental units at rates which support debt service; successfully lease-up rental projects and obtain any required rent subsidies and/or real estate tax abatements from governmental sources.

At June 30, 1992, the Corporation's portion of construction and permanent loans for which, pursuant to the Corporation's accounting policies, interest is no longer being accrued, aggregated approximately \$9.7 million, including \$3.5 million which is in the process of foreclosure. At June 30, 1992, the Corporation did not hold any properties as a result of foreclosure actions.

The following summarizes the activity in the allowance for possible investment losses for the years ended June 30, 1992 and 1991:

	1992	1991
Balance, beginning of year	\$700,000	\$500,000
Provision for the year.....	200,000	200,000
Balance, end of year.....	\$900,000	\$700,000

No amounts have been charged to the allowance since the time at which it was established.

In addition, the Corporation's unrestricted fund balance of approximately \$10.4 million at June 30, 1992, is available to cover any presently unforeseen losses which may occur as a result of its lending activities.

◆ 131-135 West 138th Street, Manhattan: gut renovation of 25 apartments for moderate income tenants.

5. 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 approximately \$98 million through January 31, 1993, generally for the purpose of financing construction loans made by the Corporation. Borrowings are evidenced by notes which mature on January 31, 1994. 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 1992 and 1991 were at interest rates which ranged from 6.5% to 8.5% and 8.5% to 10.0%, respectively. At June 30, 1992 and 1991, the interest rates on these borrowings were 6.5% and 8.5%, respectively. At June 30, 1992 and 1991, the outstanding balances under this agreement were \$66 million and \$58 million, respectively.

6. NONRECOURSE COLLATERAL TRUST NOTES

The Corporation is a party to a note purchase agreement with certain banks whereby the banks have agreed to purchase up to approximately \$109 million of nonrecourse collateral trust notes issued by the Corporation, subject to certain conditions.

Notes issued pursuant to this agreement are secured solely by the pledge of specific permanent mortgage loans originated by the Corporation. The agreement 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 permanent basis.

At June 30, 1992 and 1991, the remaining outstanding principal balances of these notes were approximately \$39.8 million and \$40.1 million, respectively, which amounts are equal to the principal balances of the pledged mortgages. The unused portion of the amount committed under the amended agreement at June 30, 1992, was approximately \$69.3 million.

♦ This building at the busy intersection of West 125th Street and Broadway stood vacant for many years before being developed into 30 apartments for moderate income tenants.

Pursuant to the terms of a servicing agreement dated January 10, 1978, the Corporation services the mortgage loans pledged as collateral for the notes. The Corporation receives an annual servicing fee of 1/4 of 1% based on the aggregate outstanding principal balances of the pledged mortgage loans.

7. MORTGAGE LOANS SOLD

The Corporation is a party to buy/sell agreements with the New York City Police Pension Fund, the New York City Employees Retirement System, the Teachers Retirement System of the City of New York and the New York State Common Retirement Fund (the "Pension Funds"). These agreements, as amended, provide among other things, for the Pension Funds to purchase, certain permanent mortgages originated by the Corporation in a collective aggregate amount of up to \$400 million.

Through June 30, 1992, 122 loans with an original principal amount of approximately \$86.9 million have been sold to the Pension Funds, the remaining outstanding principal balance of which is approximately \$83.8 million. At that date, the Pension Funds were committed to purchase approximately \$133 million of CPC's portion of existing or committed construction loans upon their conversion to permanent mortgages. The unused remaining commitment of the Pension Funds at June 30, 1992, was approximately \$183.2 million.

Pursuant to the terms of related servicing agreements, the Corporation services the mortgage loans sold and receives servicing fees equal to 1/4 of 1% per annum of the outstanding principal balance of the mortgage loans sold to the Pension Funds.

8. 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 deposits funds with the Corporation to be used to fund the HPD commitment to participate in such loans. Under a July 1, 1988 agreement, CPC is required to segregate HPD's unadvanced loan commitments and the interest earned thereon into a separate account, invested on behalf of HPD in short-term investments until the funds are required to fulfill the HPD commitments or are otherwise used or remitted to HPD. The HPD portion of each mortgage loan bears interest at the rate of 1-1/4% per annum.

The Corporation receives a servicing fee from HPD equal to 1/4 of 1% per annum on the aggregate advances made on each construction loan and 1/4 of 1% per annum on the aggregate balances of HPD deposits unadvanced under each construction loan. Additionally, the Corporation services HPD's participation in permanent mortgage loans for a servicing fee equal to 1/4 of 1% of the outstanding principal balance of HPD's permanent mortgage loans.



At June 30, 1992 and 1991, HPD deposits consisted of the following:

	1992	1991
Unadvanced loan commitments and accumulated interest on short-term investments	\$80,996,991	\$ 98,379,678
Mortgage interest collections and other deposits	2,143,638	2,253,000
Total	\$83,140,629	\$100,632,678

At June 30, 1992 and 1991, other participants had deposited an aggregate amount of \$3,804,459 and \$2,578,099, respectively, with respect to their commitments to participate in loans originated by the Corporation.

9. INTEREST EXPENSE

Interest expense consisted of the following for the years ended June 30, 1992 and 1991:

	1992	1991
Interest on revolving credit agreement	\$4,066,917	\$5,037,999
Interest on escrows	629,061	374,051
Interest on construction performance deposits	171,542	321,594
Total	\$4,867,520	\$5,733,644

10. COMMITMENTS AND CONTINGENCIES

The Corporation leases office space in four locations under agreements which expire at various times through 1997. Annual base rents are subject to escalations or decreases as provided for in the leases. Rental expense for 1992 and 1991 was \$378,080 and \$347,474, respectively, and is included in office expenses in the accompanying financial statements. The minimum annual rentals under noncancelable leases are due as follows:

1993	\$216,860
1994	210,646
1995	216,604
1996	193,279
1997	15,444
Total	\$852,833

The Corporation is subject to several lawsuits and other claims directly or indirectly related to its normal activities. While the outcome of these proceedings is not presently determinable with certainty, management believes any such outcome will not have a material adverse effect on the financial position of the Corporation.

11. PENSION PLAN

In April 1982, the Corporation established a defined contribution pension plan (the "Plan") covering all officers and employees. Each officer or employee is a participant of the Plan after two years of service. The Plan, as amended, provides for the Corporation to contribute annually an amount up to 10% of the base salary of each eligible officer or employee. Benefits are payable upon retirement, or earlier, as provided for in the Plan. Pension expense for the years ended June 30, 1992 and 1991, was \$182,640 and \$177,163, respectively. The net plan assets available for benefits at June 30, 1992, the last valuation date of the Plan, was \$1,076,445.

12. SUBSEQUENT EVENT

During August 1992, a trustee appointed by the court, in connection with the bankruptcy proceedings of seven related borrowers, sold seven properties on which the Corporation and its participants held mortgage liens aggregating approximately \$4.2 million and \$11 million, respectively. In connection with these sales, the Corporation and its participants restructured the related mortgage loans to provide for additional advances aggregating approximately \$1.8 million to be used for, among other things, payment to the Corporation of delinquent interest on the prior mortgage loans. The interest rates on the original loans were also adjusted to reflect current market rates. The transferee of the properties paid \$500,000 in cash, in addition to assuming the debt of the restructured mortgages. At the closing, certain amounts were placed in escrow with the title insurer pending resolution of certain title matters. In addition, the trustee and the transferee assigned to the Corporation the right to refunds of certain property taxes previously paid during the pendency of the bankruptcy. As a result of this transaction, and when escrows are released and tax refunds received, the Corporation expects to receive and to recognize approximately \$900,000 of income in its fiscal year ending June 30, 1993, representing the amount of interest which the Corporation, in accordance with its accounting policies, had not previously accrued.

♦ 45 Cooper Street, Manhattan: These two 8-unit rental apartment buildings in the Inwood section of Manhattan were newly constructed for moderate income tenants without any public subsidy other than exemption from real estate taxes.





♦ One of four apartment buildings containing a total of 188 rental units and 4,016 square feet of retail space in the Mott Haven section of the Bronx, 500 Trinity Avenue was developed for low and moderate income tenants under NYC's Vacant Building RFP Program.

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

Harry D. Garber
Chairman
Vice Chairman (ret.)
The Equitable Financial Companies

Glen E. Coverdale
Executive Vice President
Metropolitan Life Insurance Company

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

Richard M. Gunthel
Managing Director
Bankers Trust Company

Michael Hegarty
Senior Executive Vice President
Chemical Banking Corporation

Richard A. Kraemer
President & CEO
CrossLand Savings FSB

Michael D. Lappin
President & CEO
The Community Preservation Corporation

Robert N. Laughlin*
Division Executive
Citicorp Real Estate, Inc.

John F. Lee
President
The New York Clearing House Association

Robert O. Lehrman
President & CEO
Community Bankers Association of New York State

Gerald M. Levy*
Managing Director
Chemical Realty Group

William G. Lillis*
President & CEO
American Savings Bank

Robert A. McCormack
Executive Vice President
Citicorp Real Estate, Inc.

Jerome R. McDougal
President & CEO
River Bank America

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

Frank J. Ollari
Senior Vice President
New York Life Insurance Company

William F. Olson
Chairman, President & CEO
Peoples Westchester Savings Bank

John A. Somers
Senior Vice President
Teachers Insurance & Annuity Association

Robert S. Strong
Senior Vice President
The Chase Manhattan Bank, N.A.

MORTGAGE COMMITTEES

Joseph S. Morgano
Chairman, NYC
Senior Vice President
Independence Savings Bank

Leonard Saluto
Chairman, Mid-Hudson Valley
First Senior Vice President
Peoples Westchester Savings Bank

James H. Bason
Assistant Vice President
Barclays Bank of New York, N.A.

Charles A. Coolidge III
Vice President
Mutual Life Insurance Company of New York

Leonard N. Druger
Vice President
Citicorp Real Estate, Inc.

Andrea F. Glickhouse*
Investment Officer
Home Life Insurance Company

Michael D. Lappin
President & CEO
The Community Preservation Corporation

Murray F. Mascis
Senior Vice President
The Dime Savings Bank of New York, FSB

Patrick J. McEnerney
Northeast Regional Vice President
Bank of New York Mortgage Company

Jansen Noyes III
Senior Vice President
Emigrant Savings Bank

Margaret A. O'Leary
Assistant Vice President
New York Life Insurance Company

Roland Peracca, Jr.
Vice President
The Chase Community Development Corporation

Edward W. Philipps*
Senior Vice President
American Savings Bank

Virginia L. Philpott
Senior Vice President
Chemical Community Development Corporation

Joseph E. Sledge
Investment Officer
Metropolitan Life Insurance Company

Peter J. Succoso*
Vice President
Citicorp Real Estate, Inc.

John H. Van Loan
Senior Vice President
First National Bank of Rhinebeck

Floyd P. Wiggins*
Vice President
New York Life Insurance Company

OFFICERS AND MORTGAGE STAFF

Michael D. Lappin
President & CEO

John M. McCarthy
Executive Vice President

Central Office

Carolyn Au
Mortgage Analyst

Mary E. Enright
Vice President & Director of Closings

Nancy G. Feldman
Vice President for Advisory Services

Susan E. Foresta
Assistant Vice President

Jack Greene
Senior Vice President

Richard A. Kumro
Vice President, General Counsel & Secretary

Dale F. McDonald
Senior Vice President

Stefan Sebastian
Treasurer

Brenda P. Stober
Director of Business Development

Manhattan/Bronx Office

Bruce Dale
Vice President

Richard P. Conley
Mortgage Officer

Christopher Garlin
Mortgage Officer

Patricia Lam
Assistant Mortgage Officer

Gunnel Rydstrom
Mortgage Officer

Brooklyn/Queens/Staten Island/Long Island Office

Mary A. Brennan
Senior Vice President

Patricia Figueroa
Mortgage Analyst

Susan M. Pollock
Vice President

Alice M. Wong
Neighborhood Mortgage Officer

Hudson Valley Office

Thomas P. McGrath
Vice President

Susan V. Adelman*
Vice President

Sadie McKeown
Assistant Mortgage Officer

Bruce W. Whipple
Assistant Mortgage Officer

*Resigned during 1991-92.

CONSULTING PROFESSIONALS

Gerry Bakirtjy, A.I.A.
Daniel Frankfurt, P.E.
Peter Franzese, P.E.
Herbert Gallin, P.E.
Robert J. Santoriello, R.A.

AUDITORS

Arthur Andersen & Co.

CORPORATE COUNSEL

Sullivan & Cromwell

REAL ESTATE COUNSEL

Donovan Leisure Newton & Irvine
Rogers & Wells
Plunkett & Jaffe, P.C.

LITIGATION COUNSEL

Hahn & Hessen

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New York, New York 10018
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Manhattan/Bronx

3152 Albany Crescent
Bronx, New York 10463
(718) 601-6600

Brooklyn/Queens/
Staten Island/Long Island

One Hanson Place
Suite 1215
Brooklyn, New York 11243
(718) 783-8400

Hudson Valley

245 Saw Mill River Road
Hawthorne, New York 10532
(914) 747-2570

PARTICIPATING
INSTITUTIONS

COMMERCIAL BANKS

Amalgamated Bank of New York
Banco Popular de Puerto Rico
The Bank of New York
The Bank of Tokyo Trust Company
Bankers Trust Company
Barclays Bank of New York
Canadian Imperial Bank of Commerce (NY)
The Chase Manhattan Bank, N.A.
Chemical Bank
Citibank, N.A.
European American Bank
First National Bank of Rhinebeck
The Fishkill National Bank
Key Bank of New York, N.A.
Marine Midland Bank, N.A.
Morgan Guaranty Trust Company of New York
National Westminster Bank USA
Sterling National Bank & Trust Company of New York
United States Trust Company of New York

SAVINGS BANKS

Anchor Savings Bank
Apple Bank for Savings
CrossLand Savings FSB
The Dime Savings Bank of New York, FSB
The Dime Savings Bank of Williamsburgh
The East New York Savings Bank
East River Savings Bank, a Division of River Bank America
Emigrant Savings Bank
Flushing Savings Bank
The Green Point Savings Bank
Home Savings of America, The Bowery Div., FSB
Home Savings of America, FSB-NY
Independence Savings Bank
Jamaica Savings Bank FSB
Lincoln Savings Bank, FSB
The Long Island Savings Bank, FSB
The Manhattan Savings Bank
Mid-Hudson Savings Bank FSB
North Fork Bank
North Side Savings Bank
Peoples Westchester Savings Bank
Putnam County Savings Bank
Ridgewood Savings Bank
Roosevelt Savings Bank

INSURANCE COMPANIES

The Equitable Life Assurance Society of the United States
Guardian Life Insurance Company of America
Metropolitan Life Insurance Company
Mutual Life Insurance Company of New York
New York Life Insurance Company, Inc.
Phoenix Home Life Mutual Insurance Company
Teachers Insurance & Annuity Association

130/cont City
Hofmann 14-201

[The Manhattan Savings Bank] Republic Bank
for Savings

◆ CPC's first project on Long Island, 76 cooperative apartments for senior citizens, will be built on this site in East Meadow.



32394

167 704 536

◆ The last vacant building on its block, 502 West 176th Street in Manhattan was rehabilitated for moderate income tenants with financing from CPC and NYC's Vacant Building Participation Loan Program. The State of New York Mortgage Agency (SONYMA) is providing mortgage insurance.

CPC
HIGHLIGHTS

The Community Preservation Corporation (CPC) is a private not-for-profit mortgage lender specializing in the financing of low and moderate income housing. Founded in 1974, CPC is sponsored by 50 banks and insurance companies based in the New York City metropolitan area. ◆ CPC passed a major milestone in 1992 — the construction of the thirty thousandth unit of affordable housing financed by the company. This represents an investment of over \$900 million of public and private funds. During 1992, CPC developed five new programs to serve a wider range of affordable housing needs. Three of these programs will expand CPC's financing programs to include the rehabilitation of one- to four-family homes and more flexible multifamily financing; the other two create new distribution networks through local community development organizations and banks. ◆ The new CityHomes and Brownstone Lending programs are specifically designed for the rehabilitation of one- to four-family homes, providing homeownership opportunities in deteriorated and vacant buildings — both city- and privately-owned. The Fannie Mae Special Purchase Program will be used initially to enable CPC to lend to owners of buildings that are already physically sound but need refinancing. This program is an important demonstration of how the national mortgage agencies can support the provision of long-term financing for affordable multifamily housing. ◆ The goal of the Community Loan Origination Program and Adopt-a-Neighborhood is to increase the flow of CPC and other private funds into the neighborhoods that need them. The Community Loan Origination Program taps the ability of community groups to reach building owners whose properties need rehabilitation, but who do not know how to obtain the needed private and public financing. Through Adopt-a-Neighborhood, CPC will train and work with bank staff to increase the accessibility of financing to building owners.

FISCAL YEAR PERFORMANCE 1991-1992

New Loans Closed (Dollars)

CPC & Other Private Funds.....\$ 46,949,637
Public Funds.....63,270,057
Total\$110,219,694

New Loans Closed (Units)

Manhattan934
Bronx883
Brooklyn348
Queens30
Hudson Valley199
Total2,394

Permanent Loans Closed (Dollars)

CPC & Other Private Funds\$18,547,842
Pension Funds*43,698,303
Public Funds96,503,289
Total\$158,749,434

LENDING RECORD 1974-1992**

CPC Closed Loans (Dollars)\$909,907,453
CPC Closed Loans (Units)31,037

* New York City Employees Retirement System, New York City Police Pension Fund, Teachers Retirement System of the City of New York, and New York State Common Retirement Fund.

** Includes \$19,161,969 and 225 units of end loans.