The Community Preservation Corporation
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New York, New York 10018
(212) 869-5300

CPC
20
YEARS

THE COMMUNITY PRESERVATION CORPORATION 1994 ANNUAL REPORT

CPC HISTORY

During the past twenty years, The Community Preservation Corporation (CPC) has become a nationally renowned leader in the financing of affordable housing. Since its founding in 1974, CPC has financed the rehabilitation or construction of over 38,000 units to date, representing a private and public investment of almost $1.25 billion. CPC has revitalized communities throughout New York City and State, and has demonstrated how private capital can help revitalize inner cities and other underserved communities.

CPC was created in response to a 1972 study commissioned by the New York Clearing House Association banks, which depicted a dramatic decline of New York City's affordable housing stock. The City was experiencing an alarming deterioration of its once solid neighborhoods and losing an estimated 25,000 housing units a year to abandonment. The purpose of the study was to analyze the City's housing problems and propose a role for the City's commercial banks in alleviating them. The Clearing House study concluded that a significant amount of capital was necessary to preserve the housing stock, and that such investment would occur only in conjunction with government support.

CPC was established as an independent not-for-profit organization in 1974 by the City's leading commercial and savings banks. CPC was designed to work with government and the financial community to provide private capital and create an appropriate environment for housing investment. CPC's membership has grown to include 51 commercial and savings banks, thrifts and insurance companies. These sponsors now provide almost $400 million for construction and permanent financing.

CPC continued to expand, reaching agreement with two large New York City pension funds — the Police Pension Fund and the New York City Employees Retirement System — whereby the pension funds provide forward-committed, permanent take outs for CPC construction loans. This agreement, announced in 1983, was among the first investments by any American public pension fund in the rehabilitation of older affordable housing. The New York City Teachers Retirement System and the New York State Common Retirement Fund joined the program in 1991. Monies committed by these pension funds now total $550 million. And finally, mortgage resources were broadened by CPC obtaining qualification as both a Fannie Mae and Freddie Mac seller/servicer.

FISCAL YEAR PERFORMANCE 1993-1994

NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (DOLLARS)

CPC, Pension Funds (permanent loans only)* & Other Private Funds	$ 68,408,269
Public Funds	41,451,810
Total	**$109,860,079**

NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (UNITS)

Manhattan	738
Bronx	674
Brooklyn	979
Queens	31
Hudson Valley	485
Long Island	37
Total	**2,944**

PERMANENT CONVERSIONS (DOLLARS)

CPC, Pension Funds* and Other Private Funds	$ 34,768,774
Public Funds	45,193,032
Total	**$ 79,961,806**

LENDING RECORD 1974-1994**

CPC Closed Loans (Dollars)	$1,185,610,138
CPC Closed Loans (Units)	37,489

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

** Includes $19,161,969 and 235 units of end loans. Record as of June 30, 1994.

CPC's success has been felt across the country. Our model has been replicated in Chicago and California. CPC has been directly involved in ongoing efforts to establish similar programs in other cities facing serious housing problems.

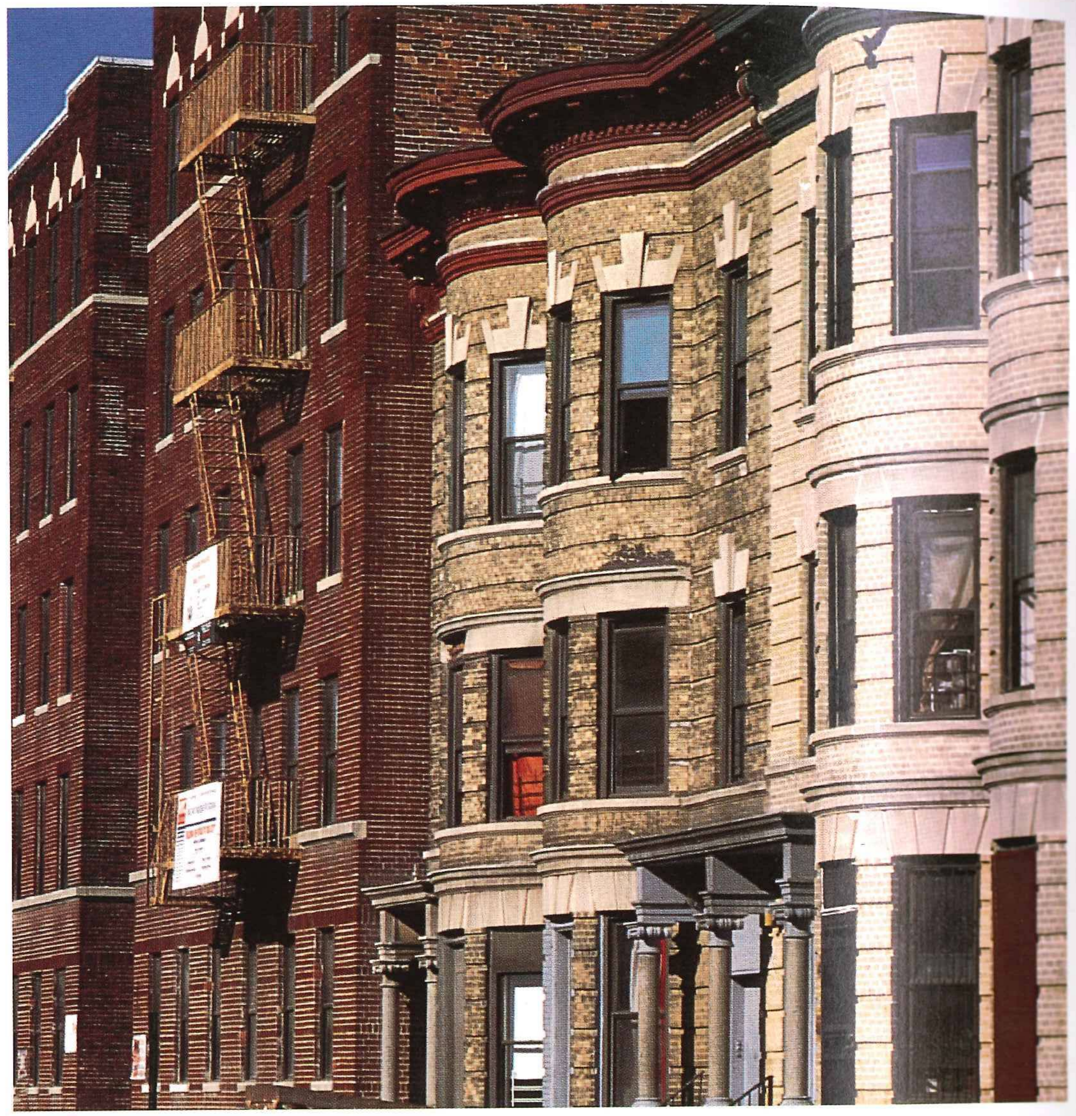
Closer to home, CPC has opened branches in Long Island and the six-county region of the Hudson Valley. This year, through its merger with its sister organization, the Community Lending Corporation (CLC), CPC will serve the entire State, with an Albany office and, shortly, offices in Buffalo and Syracuse.

THE COMMUNITY PRESERVATION CORPORATION

TWENTIETH ANNIVERSARY

1974-1994

TO OUR MEMBERS



ABOVE
The gut renovation of 1473 Bryant Avenue in the Bronx, through New York City's Vacant Building Program, will provide four apartments to formerly homeless families, 23 low-income units and 13 moderate-income units. The rents will range from $286 to $425 for one-bedroom apartments, $312 to $525 for two-bedroom apartments and $349 to $625 for three-bedroom

As CPC celebrates its twentieth year, we have financed the preservation and development of over 38,000 units of housing, representing almost $1.25 billion of public and private investment to date. More than just numbers, this housing represents our partnership with many communities in their struggle to rebuild and preserve their neighborhoods. The more than 5,100 units in Harlem, the 5,200 units in Crown Heights and the 8,000 units in the South Bronx stand at the center of efforts to rebuild these communities. Similarly, the more than 1,500 units now in construction or completed in our Hudson Valley lending area have helped several communities meet their diverse affordable housing goals.

Beyond the record of our investment, we have been engaged in a continuing effort to build an enduring financial infrastructure in our low- and moderate-income communities. This goal — now closer within reach than at any time before — promises to provide routine access to capital needed for neighborhoods to stabilize their housing. Four principles guide the formation of this infra-

diverse needs of the community; making these programs accessible to neighborhood housing; distributing these programs on a wide scale; linking these programs to the capital markets.

A primary goal at our founding was to preserve the aging apartment housing stock in our urban neighborhoods. Investing in the financing of moderate renovation — before buildings deteriorate and fall into public ownership — has long been understood to be a key preventive, and less expensive than gut renovation or new construction. Working with government, we have developed a diverse range of subsidized and unsubsidized programs to restore these buildings to physical and economic health.

Some buildings in these communities, while sound structurally, are on an unstable financial footing, which poses a threat to their viability. To address this problem, CPC has recently developed refinancing programs for the long-term stability of these buildings.

One of our newest programs promises to create more moderately priced home ownership. Working with the State of New York Mortgage Agency (SONYMA), CPC has pledged $100 million to help restore the economic viability of many partially sold cooperative apartment buildings. With the infusion of new money to restructure their troubled finances, these buildings will open new ownership opportunities to families earning between $30,000 to $50,000 annually.

In order to make our programs accessible to owners and builders in our neighborhoods, CPC has created a "one-stop-shop" whose goal is to provide one location where an owner can obtain all necessary private financing, public subsidies and expert advice on the development process. This integration has enabled many small owners to participate in the redevelopment process, producing large numbers of rehabilitated units at low cost. A forthcoming program of delegated processing of some City programs, whereby public subsidies will be integrated with private financing, will expand this effort.

CPC alone cannot meet the continuing housing needs of New York. This year, we will work with our member banks to create a larger financial distribution system for the programs we have developed to serve our communities. We will provide training and support to our member banks to enable them to originate loans in targeted communities. We will then provide the take-out loan on a forward-committed basis. In effect, CPC will provide the secondary market for an enlarged network of affordable housing lenders.

In turn, CPC will package these loans purchased from the originating lenders, and sell them to various institutional investors. CPC member banks, savings banks and thrifts will provide one such outlet through their renewed commitment to purchase mortgage-backed notes. CPC's insurance members are considering a similar program. The State and City public pension funds, which are renewing and increasing their commitment to affordable housing, are an integral part of this effort.

Furthermore, CPC has developed mortgage purchase and other financial programs with Fannie Mae and Freddie Mac. The availability of such programs broadens the potential number of investors in affordable housing. They have already provided an important avenue for the forward purchase of these securities by our life insurance company sponsors and other investors.

Taken together, these efforts constitute the rudiments of a new credit infrastructure for our communities.

The effectiveness of a private credit system is affected by a community's economic and regulatory environment. Two issues of particular concern are costly water and sewer pricing policy and lead paint remediation standards. These issues must be dealt with in ways that recognize the economic realities of low- and moderate-income housing. Otherwise, they could limit how far we can go in rebuilding our communities.

This year, CPC will expand our efforts geographically and programmatically. Geographically, we will extend our lending area to the rest of New York State. CPC and its sister organization, the Community Lending Corporation (CLC), have agreed to merge. CLC's office in Albany will shortly be supplemented by new offices in Buffalo and Syracuse.

CPC has also established a subsidiary, CPC Resources, to engage in a number of activities in support of affordable housing. It will provide consulting services to municipalities and not-for-profit groups for the development of housing, as well as work with developers on selected joint venture projects.

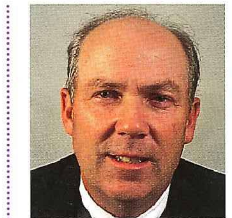
As always, the success of our efforts has been shaped by our strong partnership with government and the support of our sponsoring institutions. This support has been unwavering and promises to give us renewed energy and resources to meet the challenges ahead.

We wish to acknowledge the departure of two supporters who have made important contributions to our efforts.

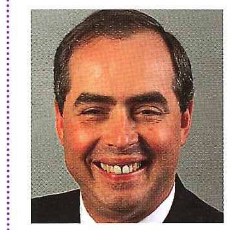
We thank Bill Olson who served as a Director and who laid the groundwork for our expansion into the Hudson Valley region. Thanks are also due to Bob Chambers for his help in CPC's entry into Dutchess and Orange counties through his chairing the advisory board covering these areas.

On this, our twentieth anniversary, we acknowledge our enormous debt to those who have served as Chairmen, Directors and Presidents since our founding, all of whom are noted beginning on page 34 of this report.

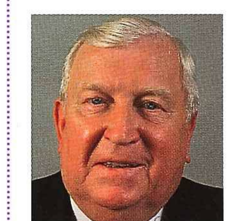
New York, New York
December 9, 1994



MICHAEL HEGARTY
Chairman



MICHAEL D. LAPPIN
President & CEO

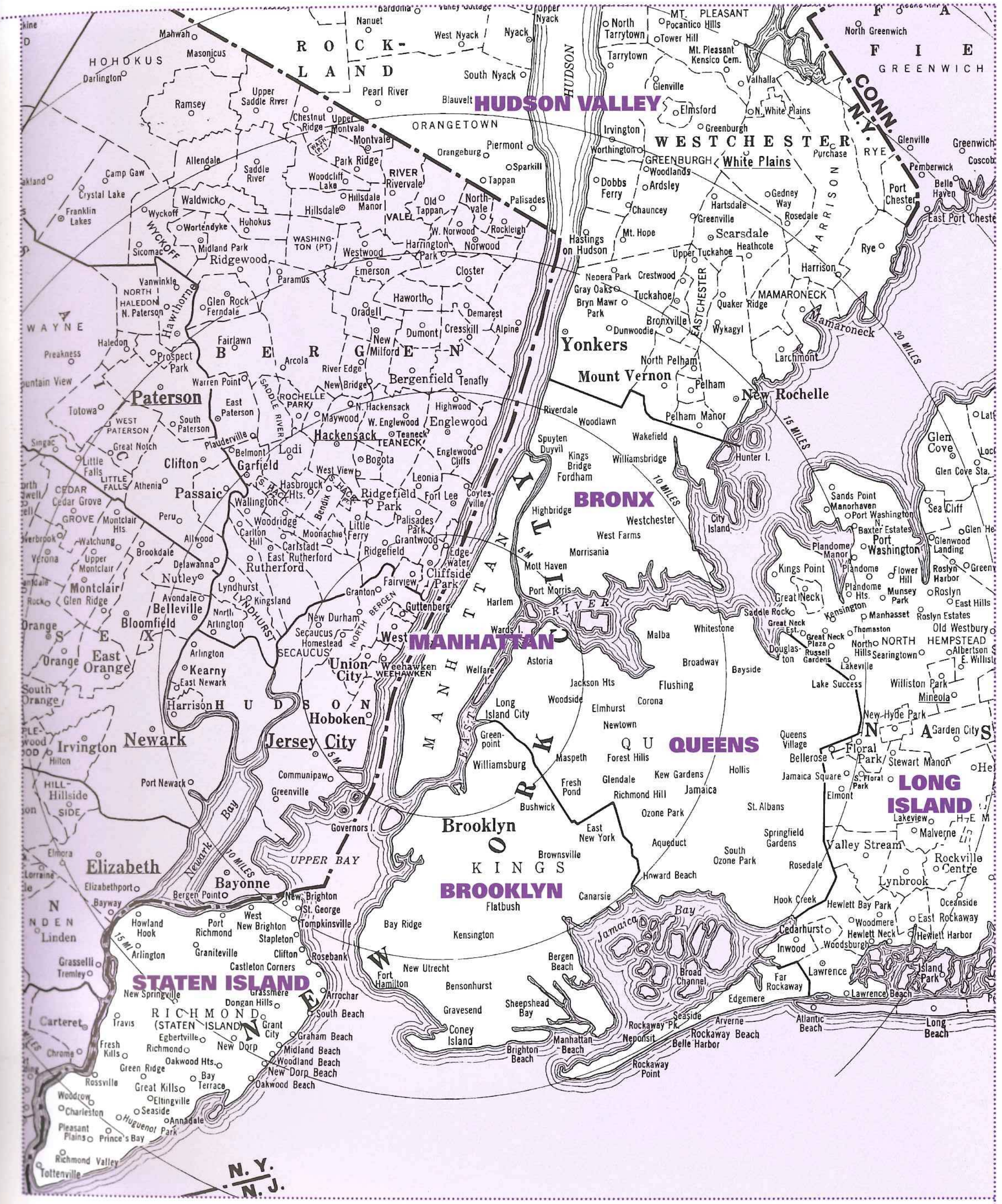


JEROME R. MCDOUGAL
Vice Chairman

TED ATHANASSIADES
Chairman of the Executive Committee

Five five-story walk-up tenements at 230, 245, 255, 257 and 259 West 116th Street will be made into 59 apartments on this important retail street in Harlem. The construction funds for this gut renovation are from CPC in conjunction with the New York City Participation Loan Program.

This type of project represents a typical deal whereby CPC provides construction financing and the City provides a one-percent subordinate loan, creating a blended lower interest rate. The CPC construction loans are then purchased by the City's pension funds and insured by the State of New York Mortgage Agency (SONYMA). This financial structure has been the mainstay of the financing of buildings rehabilitated under the Vacant Building and Participation Loan



CPC LENDING AREAS

BRONX
Invested Funds:
$377,886,794
Units:
11,189

BROOKLYN
Invested Funds:
$303,079,498
Units:
9,663

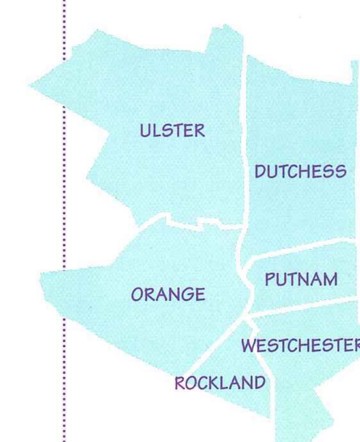
HUDSON VALLEY
Invested Funds:
$61,177,284
Units:
1,243

LONG ISLAND
Invested Funds:
$12,100,000
Units:
181

MANHATTAN
Invested Funds:
$395,507,711
Units:
13,196

QUEENS
Invested Funds:
$34,633,851
Units:
2,004

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

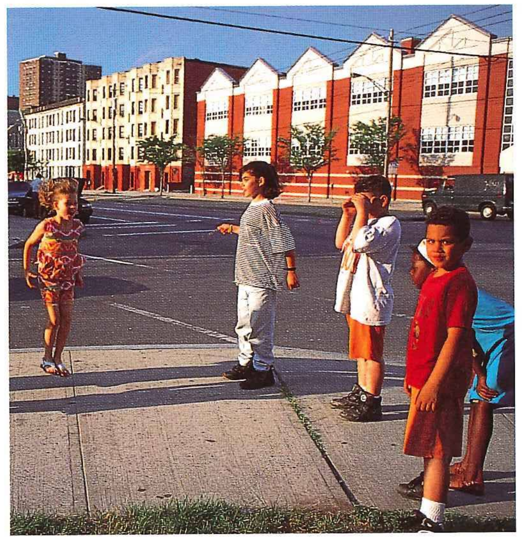


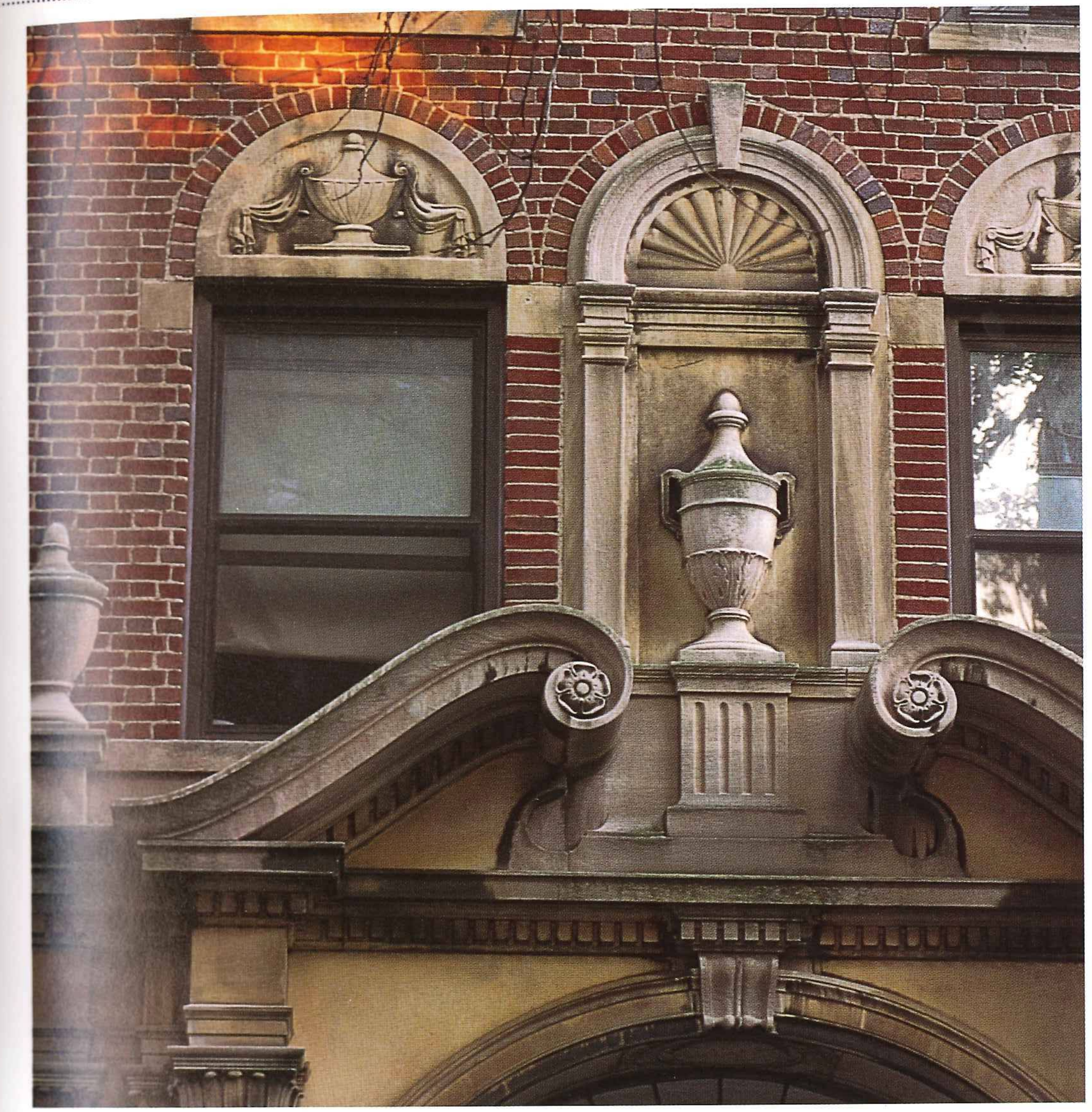
TOP LEFT
CPC is providing the financing for the gut renovation of 276–278 Riverdale Avenue in southwest Yonkers. When completed, the 26 two-bedroom units will be affordable to neighborhood residents.

MIDDLE LEFT
In conjunction with the CityHome program, CPC is funding the gut renovation of nine three-family City-owned buildings on Hancock Street in Brooklyn. Through the CityHome program, vacant City-owned properties are turned into affordable homes available for sale to moderate-income families. The program was developed through the cooperative efforts of The Enterprise Foundation, CPC and the City.

FAR RIGHT
This four-story building at 347 Pleasant Avenue, in the East Harlem section of Manhattan, contains seven residential units renting for $525 and $625. A child care center is located on the ground floor of the building.

BOTTOM
In the St. Nicholas Park Urban Renewal Area, through the New York City Vacant Building Program, 13 buildings will be renovated into 117 apartments and 18,946 square feet of commercial space. Studio apartments will rent for $450, one-bedroom apartments for $550, two-bedroom apartments for $650 and three-bedroom apartments for $750. The project is being developed by the Greater Harlem Housing Development Corporation, a Harlem-based not-for-profit development company. This project is the second phase of a major comprehensive development plan called Strivers Center, designed to enhance the community's existing anchors, including Strivers Row, the Harlem Y.M.C.A. and the Schomburg Center for Research in Black Culture.





LEFT
CPC is financing the moderate rehabilitation of this occupied 99-unit building on Clinton Avenue in Brooklyn, which will extend the life of the building through another generation of use.

BUILDING A FINANCING SYSTEM FOR COMMUNITIES

A defining characteristic of this nation is its capacity to form communities among diverse peoples. While this has never been easy, nor always successful, one measure of progress is the ability to build a civic life where people of different ethnic, religious, racial and economic backgrounds can both live in peace and prosper in their individual pursuits.

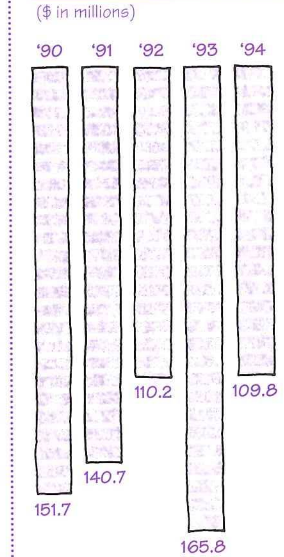
The Community Preservation Corporation grew out of the belief that private capital plays an essential role in the building and maintenance of communities. Capital provides a basic building block for meeting communities' many housing and economic needs. This is especially true for lower income communities — areas of special concern to CPC. Here, housing needs to be built and rebuilt, businesses need to grow and dreams need to flourish. While CPC's goal is to provide capital routinely for these needs, its challenge is to build a system that can meet this goal.

This report describes the various programs CPC has developed to meet communities' diverse needs; its delivery system of those programs to the communities; the linkage between these programs and the capital markets; and, finally, the relationship of this system to broader policy issues which are critical to success.

LENDING PROGRAMS

When CPC opened its doors for business in 1974, its efforts were devoted to meeting one specific need: the preservation of occupied apartment housing in neighborhoods bordering areas that had recently suffered massive abandonment. In the ensuing 20 years, CPC has expanded its product line in many ways, including housing types financed and income groups served. CPC can now meet the needs of a broad range of households by financing both rental and for-sale housing that is affordable to very low- to middle-income households. These programs encompass not only moderate rehabilitation, but also gut rehabilitation and new construction.

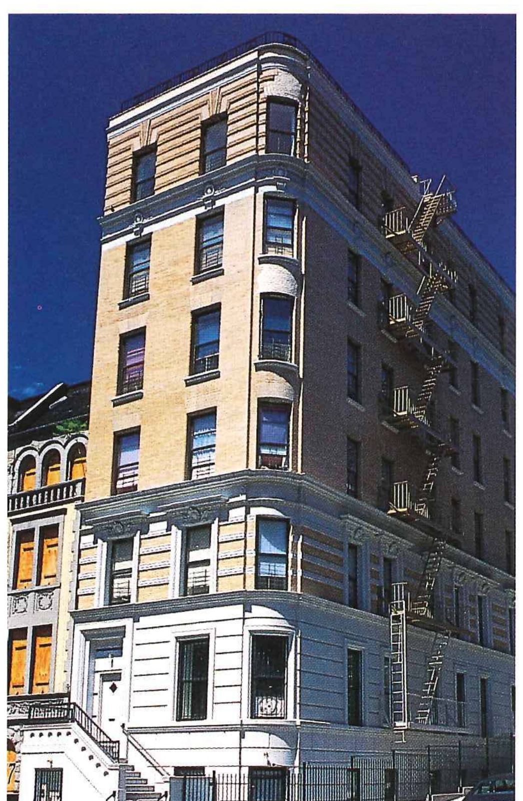
NEW LOANS CLOSED
($ in millions)

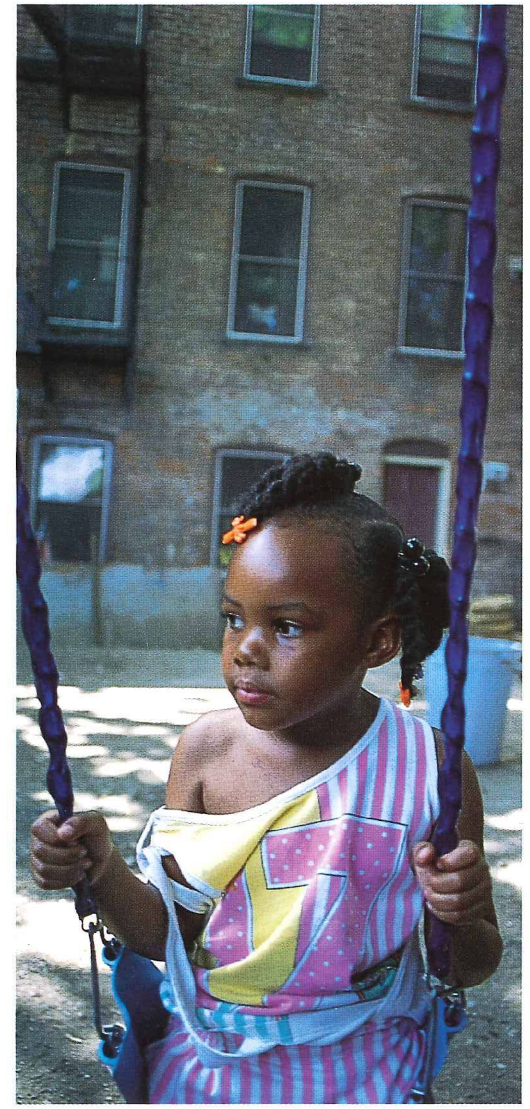


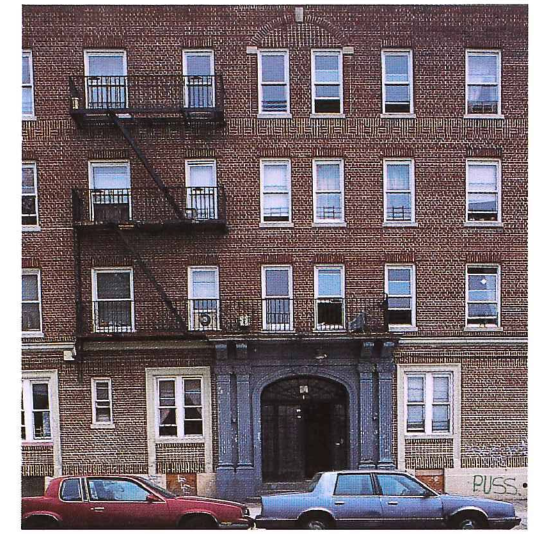
TOP
CPC is working in partnership with the Yonkers Bureau of Community Development to provide both construction and permanent financing to restore this vacant seven-family home in Yonkers. Rents for these large three-bedroom apartments will range from $807 to $943.

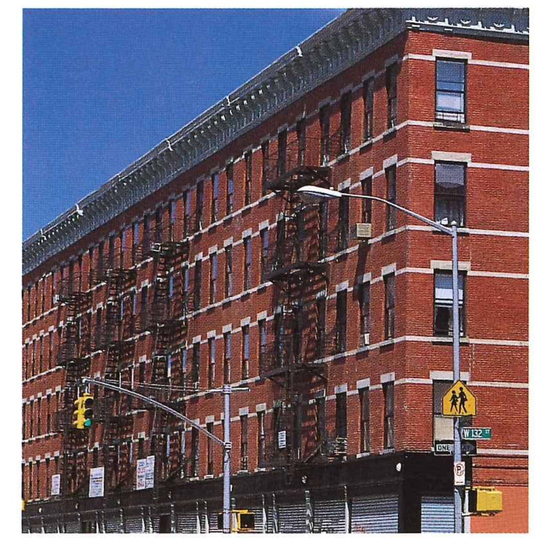
BOTTOM LEFT
400 West 153rd Street is a unique six-story building surrounded by turn-of-the-century townhouses in the Hamilton Heights section of Manhattan. The renovation has produced 25 moderate-income apartments, with one-bedroom apartments renting for $525 and two-bedroom apartments renting for $625.

BOTTOM RIGHT
The gut rehabilitation of 11 buildings on West 127th Street in Harlem will create 34 dwelling units. The units, under the CityHome program, will be sold as owner-occupied, one- to four-family homes.









MODERATE REHABILITATION PROGRAMS

A primary concern of any urban area's housing agenda must be the preservation of the existing housing stock. For most communities, maintaining existing housing through the periodic upgrading of its basic systems is the most affordable and realistic option available to house low- and moderate-income residents. Such upgrading in New York City costs between $15,000 and $20,000 a unit, one-third the cost of renovating an abandoned building and one-quarter the cost of new construction. Gut renovation and new construction serving the same households would impose heavy demands on the public sector to keep it affordable.

To preserve New York's vast supply of older multi-family housing stock — more than 60 percent of which was built before 1940 — CPC has worked with government to create a range of financing programs. The basic program combines a construction loan with a forward-committed permanent loan to provide funds for the rehabilitation and refinancing and/or acquisition of this older property. To keep the renovated property affordable to existing residents — most moderate rehabilitation occurs with tenants remaining in occupancy — public subsidies are combined with private financing. A typical loan package might include real estate tax abatement, with subsidized subordinate financing provided through several public programs, and credit enhancement for the permanent financing.

REHABILITATION OF VACANT BUILDINGS

While the preservation of existing housing is important, a strategy for rebuilding abandoned and vacant properties is required in some distressed neighborhoods. This was certainly the case in New York City when the economic depression of the early 1970s resulted in the abandonment of close to 200,000 housing units. When the City's economy rebounded in the 1980s, this stock was viewed as a resource to create badly needed affordable housing.

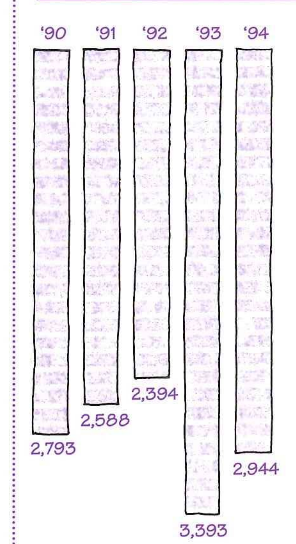
In response, CPC and the City created the Vacant Building Program to restore these City-owned buildings — many of which were located in Harlem and the South Bronx — to sound condition and private ownership. Under this program, CPC and the City established a simplified application procedure. Buildings were sold to qualified private

LEFT
CPC, Orange County and the City of Newburgh joined together to provide seven new units of housing under the HOME program at 8–10 South Miller Street. The property, originally built in the mid-1800s and restored completely to historic standards, will house low-income families.

TOP RIGHT
One Parade Place in Brooklyn is undergoing moderate rehabilitation. The 73-unit building is partially occupied and the rents range from $532 to $651; the currently vacant units will rent for $525 to $725.

BOTTOM RIGHT
2470 through 2482 Frederick Douglass Boulevard was a CPC/New York City Vacant Building project. Seven five-story, walk-up tenements were combined into three buildings, creating 67 units affordable to working families.

APARTMENT UNITS FINANCED

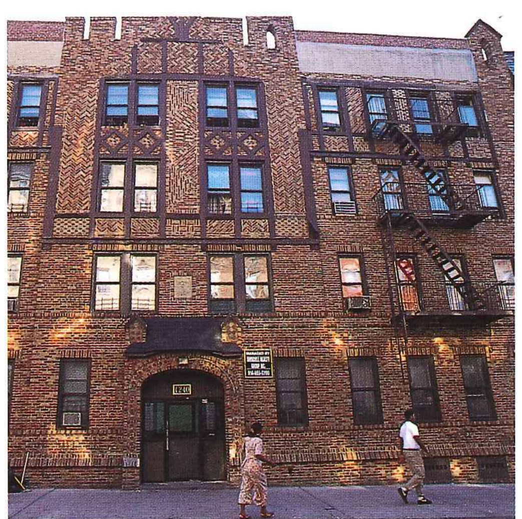


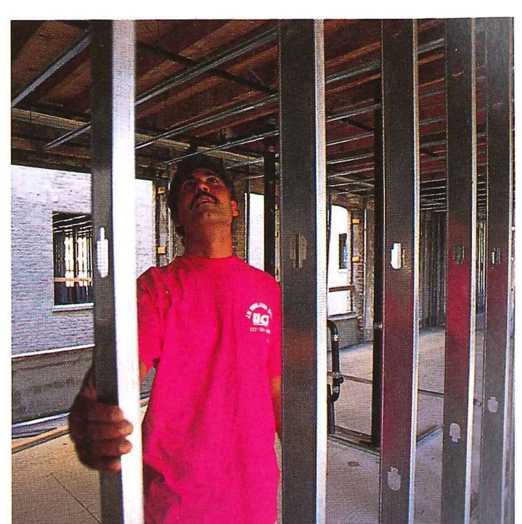
TOP
In conjunction with a grant from the New York State Affordable Housing Corporation, CPC is providing construction financing for Franklin Commons in Nyack, New York. The fifteen new homes will be purchased by first-time home buyers.

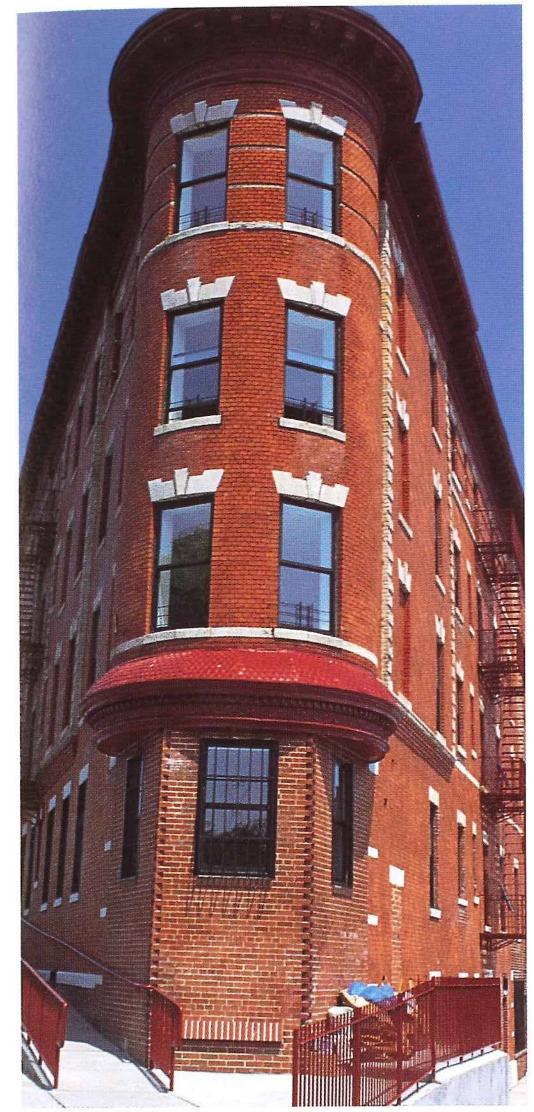
MIDDLE
The Community Lending Corporation (CLC) financed the Brandon Place Learning Center in Colonie, New York, an 8,421 square foot child-care center with the capacity for 75 children. This facility will help to serve the growing demand for child care among working parents.

BOTTOM LEFT
1240 Stratford Avenue is a moderate rehabilitation in the West Farms section of the Bronx. The rents will average $400 for a one-bedroom apartment and $480 for a two-bedroom apartment.

BOTTOM RIGHT
The gut renovation under New York City's Vacant Building Program includes three buildings on Boston Road in the Morrisania section of the Bronx. Apartments reserved for formerly homeless families will rent for $286 for one-bedroom apartments and $312 for two-bedroom apartments. Low-income rentals will average $335 for one-bedroom apartments, $400 for two-bedroom apartments and $475 for three-bedroom apartments.







owners who undertook the rehabilitation of the property and provided for their long-term management. Loans were financed by combining City funds at a one percent interest rate with private funds at market rates to create rehabilited housing affordable to area residents.

A substantial portion of the implementation of the program became the responsibility of CPC, which provided, in most cases, the private portion of the construction and permanent financing. The results demonstrate the viability of this approach. In four years, CPC financed almost 8,000 units at an average development cost of about $70,000 per unit. Construction costs averaged $53,000 per unit, substantially less than the cost of other public efforts. By keeping costs low, the units could be made affordable to households earning about $22,000 annually. The sound physical and financial condition of this housing gives promise to its long-term viability.

The success of this approach has prompted the development of a similar program for privately owned vacant buildings in the same communities.

REFINANCING PHYSICALLY SOUND BUILDINGS

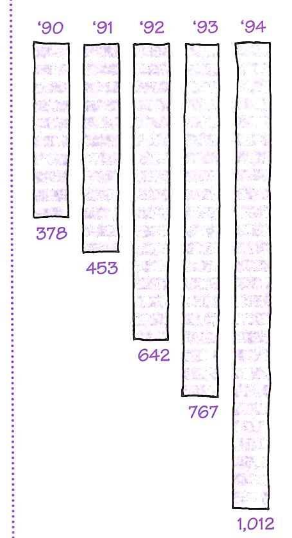
When a need for additional housing and a shortage of credit occurred in the late 1980s and early 1990s, a new need emerged — the refinancing of physically sound buildings. Building owners who did not need a rehabilitation loan, because they had replaced major systems as needed and otherwise maintained their properties over the years, had no place to go to refinance their debt. CPC could not step in to help because multifamily buildings where little or no rehabilitation is required do not qualify for State mortgage insurance, and this insurance was generally a condition of CPC's then existing long-term financing products. The only way for CPC to serve this market, and to preserve the neighborhoods where it already had significant investments, was to create a refinancing product for physically sound buildings.

For the first time, CPC turned to the national secondary market. In conjunction with the Federal National Mortgage Association (Fannie Mae), CPC was able to make a refinancing product available to borrowers who had rehabilitated their buildings to CPC's standards. Under this program, Fannie

LEFT
As part of the New York City Vacant Building Program, five buildings on Eastern Parkway in Crown Heights in Brooklyn will be renovated into 64 low- to moderate-income apartments, with rents ranging from $225 to $575.

RIGHT
The gut renovation of 837 Genesee Street in Rochester, New York now provides 21 rental units for low-income, single-parent families. All of the units are subsidized under the Section 8 Program, and the average rent is $556. Partners in this development, Monica Place Apartments, include: The Community Lending Corporation; City of Rochester Community Development; Conifer Development, Inc.; Federal Home Loan Bank of New York Affordable Housing Program; First Federal Savings and Loan Association of Rochester; Greater Rochester Housing Partnership; New York State Division of Housing and Community Renewal, Low-Income Housing Tax Credits Program; New York State Infrastructure Development Demonstration Program; Sojourner House; State of New York Mortgage Agency; United Way of Greater Rochester, Martin Luther King Fund.

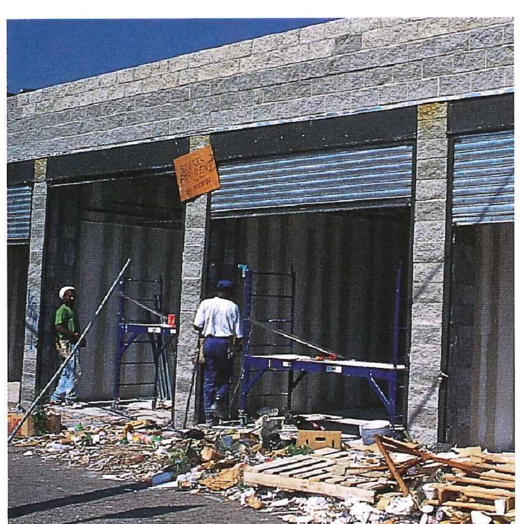
LOANS SERVICED

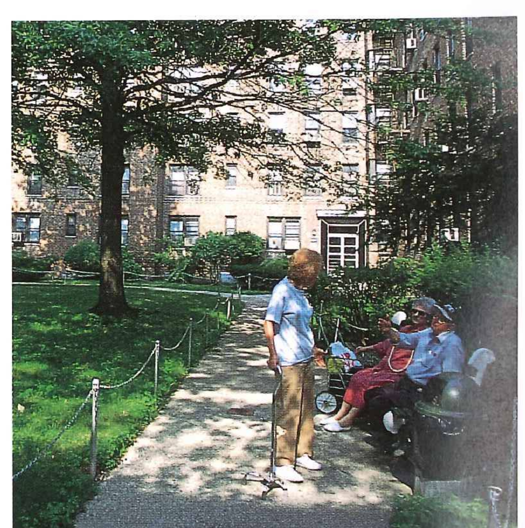


TOP
The former Bommer Spring Hinge factory on Classon Avenue in Brooklyn will be converted into 45 moderate-income rental units, with rents from $825 to $950.

BOTTOM LEFT
839 Prospect Avenue in the Bronx is a CPC-financed new construction retail project. When completed, the building will contain 7,000 square feet among six commercial spaces, with rents averaging $13 per square foot.

BOTTOM RIGHT
CPC is financing the moderate rehabilitation of this 350-unit moderate-income leasehold cooperative at 2365 Haring Street in Brooklyn. The sales prices for cooperative units range from $20,000 to $40,000.





Mae securitizes up to $50 million of CPC-originated first mortgages. A second mortgage of between 10 and 15 percent of each individual transaction will be retained. The Fannie Mae securities, as well as securities backed by pools of the second mortgages, have been "pre-sold" to an investor group consisting of certain CPC members and non-members, including the New York City Employees Retirement System (NYCERS).

PRESERVATION FINANCING FOR COOPERATIVE BUILDINGS

For-sale housing affordable to lower- and middle-income families is in short supply in the New York metropolitan area. A potentially large source of such ownership might be in cooperatively owned properties that, in recent years, converted from rental status. However, much of this housing suffers from financial distress. The buildings contain large amounts of debt relative to a large proportion of unsold rental units. As a result, the underlying mortgages are in default, making it difficult to refinance or to raise new monies for building-wide improvements. This impairs existing owners' ability to refinance or resell their units and makes financing the purchase of new units difficult.

In an effort to solve these problems, CPC and the State of New York Mortgage Agency (SONYMA) created two new financing products, one that restructures the underlying mortgages of these buildings, and the other making end loans available to residents and prospective home buyers.

The first product restructures the existing debt on the property and finances major capital repairs on the building. The new loan would be partially insured by SONYMA's Mortgage Insurance Fund (MIF). These loans will be available to cooperative buildings in which as few as 40 percent of the units have been sold.

The second product, for existing and prospective owners, provides share loans for new sales, resales and refinancings in these buildings. These loans will be originated by a group of CPC-member banks and partially insured by SONYMA's MIF.

Together, these two financing tools will restore financial and physical stability to affordable cooperative buildings. It is also hoped that they will create new low-cost home-ownership opportunities for thousands of households.

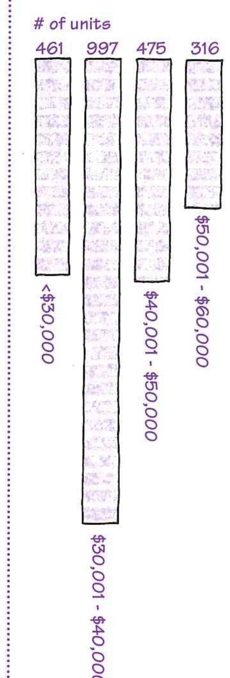
TOP
Eight newly built three-bedroom townhouse-style apartments (four two-unit buildings) on Katherine Drive in Halfmoon, New York, are renting for $775 per month for more than 1,300 square feet of living space. Halfmoon is a residential community in southern Saratoga County, the second fastest-growing county in the State.

BOTTOM LEFT
At 1000 Hoe Avenue, in the Morrisania section of the Bronx, 16 affordable units have been created with rents ranging from $475 for a one-bedroom apartment to $575 for a two-bedroom apartment.

BOTTOM RIGHT
CPC and Nassau County HOME funds are financing the construction of this 37-unit low- and moderate-income senior citizen housing in Hempstead on Long Island. This is CPC's second project on Long Island.

INCOME GROUPS SERVED: FOR-SALE HOUSING

Note: Income figures are inflation-adjusted to 1994 dollars.

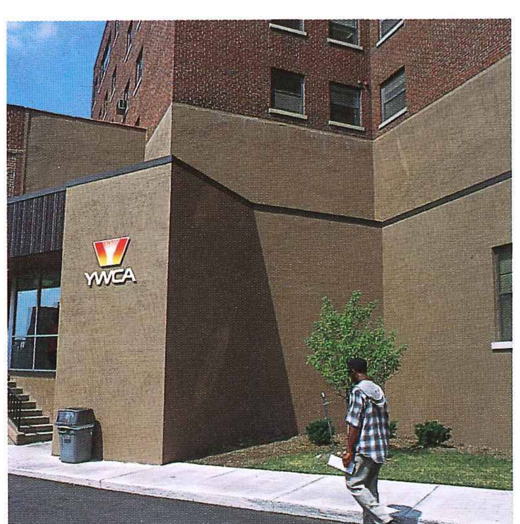


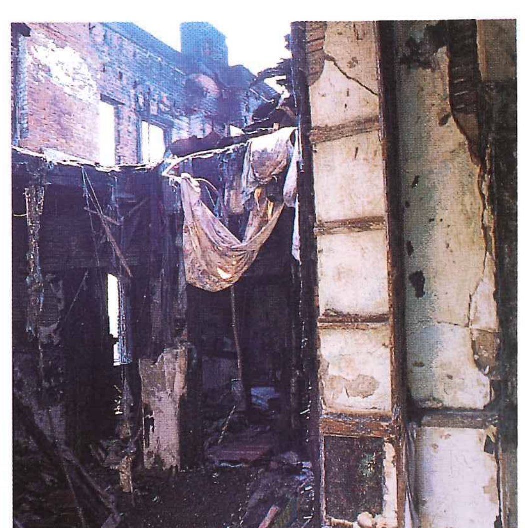
TOP
Gut renovated as part of the CityHome program, a program designed to encourage affordable home ownership, this single- family home in the Southeast Jamaica section of Queens will be sold at low cost.

MIDDLE
The New York State Common Retirement Fund (CRF) purchased the mortgage, insured by SONYMA, which allowed the refinancing and moderate rehabilitation of 69 units and the replacement of seven commercial storefronts for this housing located in the south central section of Mt. Vernon, New York. The average monthly rents are $530 for a studio, $580 for a one-bedroom apartment and $720 for a two-bedroom apartment.

BOTTOM LEFT
The gut rehabilitation of the YWCA at 175 North Clinton Avenue in Rochester, New York was a successful public/private partnership designed to create 86 rental and single–room–occupancy units to serve women in need. Participants included: CLC; City of Rochester Community Development; Conifer Development, Inc.; Federal Home Loan Bank of New York Affordable Housing Program; Greater Rochester Housing Partnership; New York State Division of Housing and Community Renewal, Housing Trust Fund and Federal Low-Income Housing Tax Credits Program; New York State Office of Alcohol and Substance Abuse Services; State of New York Mortgage Agency; United Way of Greater Rochester, Martin Luther King Fund. The average rent is $345 per month.

BOTTOM RIGHT
When completed, the gut renovation of 155 Union Avenue in Mt. Vernon, New York, which was destroyed by fire, will contain 12 apartments and three commercial spaces.





LEFT
CPC financing and an Orange County HOME grant made possible the restoration of this historic Victorian mansion in Newburgh, New York. It contains eight mixed–income units, with rents starting at $360 per month. The New York State Common Retirement Fund (CRF) purchased the permanent mortgage which is insured by SONYMA.

MAKING A PRODUCT ACCESSIBLE TO THE COMMUNITY

Creating products to meet a range of financing needs is only the first step in building a successful credit infrastructure for affordable housing. If the next step — making these products accessible to small, low-overhead builders and owners — is not taken, affordable housing will not be built.

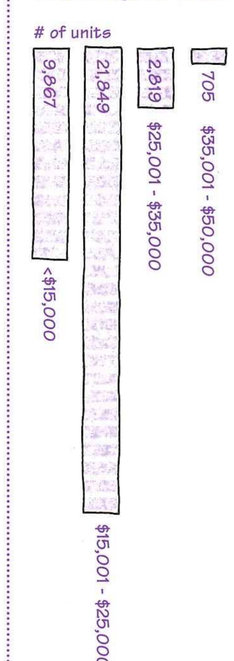
As most of these programs target neighborhoods and existing owners, consideration must be given to the limitations of some small-scale owners to coordinate the private financing with the public subsidies, as well as the normal difficulties of property renovation. To solve this problem, CPC has created a "one-stop-shop," whereby the neighborhood owner can obtain all the necessary private financing and public subsidies in one location. Additionally, CPC finds it necessary to provide technical assistance for rehabilitation, advising on minimum scopes of work, acceptable prices and, if needed, to help in selecting contractors.

This "one-stop-shop" approach has shown dramatic success: redevelopment opportunities opened to small builders and owners, leading to increased competition, greater volume and lower prices. The best example of this is the Washington Heights/Inwood community of Manhattan — a community the size of Richmond, Virginia. Here, CPC upgraded more than 7,000 units of deteriorated housing over several years. Undertaken by local owners, rebuilding costs were about half as much as comparable governmental programs, thus better leveraging scarce public resources and maintaining affordability.

CPC is currently working with City officials to expand this approach. The delegation of several subsidy programs to the "one-stop-shop" is planned in neighborhoods where apartment buildings are in jeopardy of City tax foreclosure.

INCOME GROUPS SERVED: RENTAL HOUSING

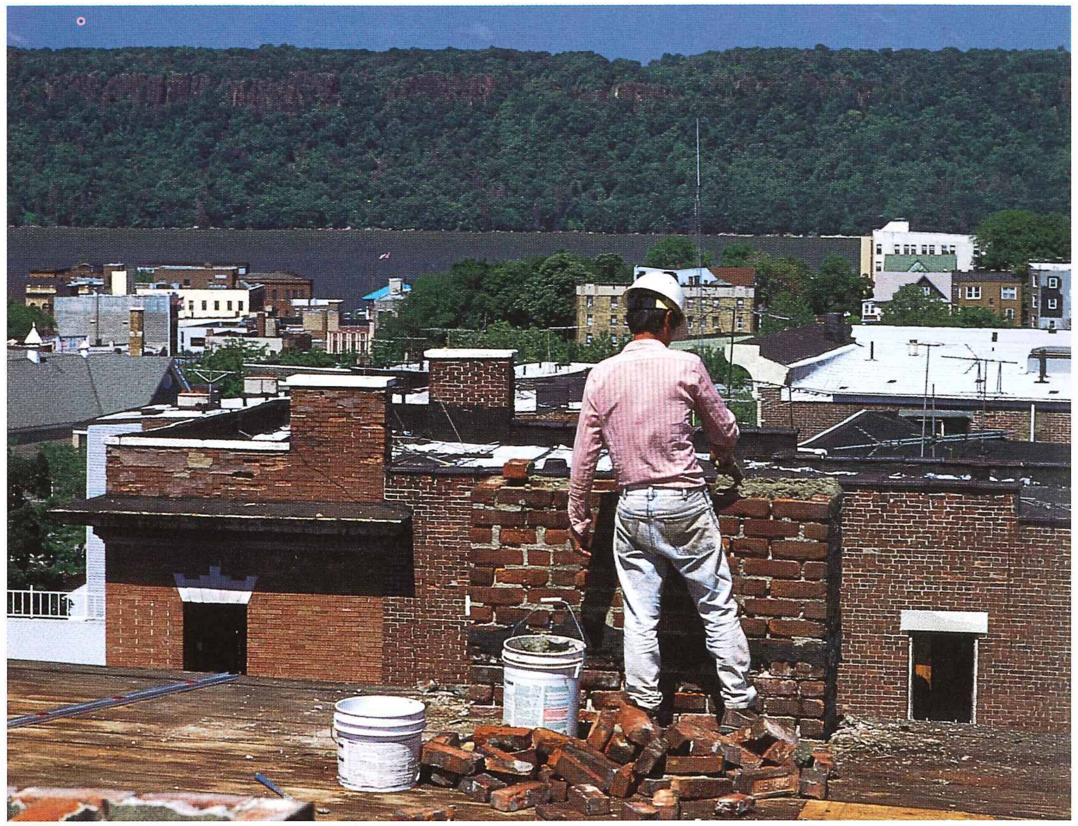
Note: Income figures are inflation-adjusted to 1994 dollars.



TOP
CPC and the Yonkers Bureau of Community Development are financing 35 units of low- and moderate-rental housing under the HOME program. Rents range from $500 to $900 for one-, two- and three-bedroom apartments.

MIDDLE
Working with the Crown Heights Jewish Community Council, CPC financed these moderate-income condominiums containing 26 units at 1738 Union Street in Brooklyn.

BOTTOM
The first phase of Ridge Lane Apartments, located on Sitterly Road in Halfmoon, New York, consists of 48 new two-bedroom apartments. The rent is $525 per month for 840 square feet. Construction of phase two of this project is currently underway.



THE DISTRIBUTION NETWORK — A WORK IN PROGRESS

Once successful, accessible loan programs and procedures are developed, the next challenge is to distribute them widely. CPC is working with some member institutions to create such a system. The goal is to link the participating institutions to underserved communities in their service areas by equipping them with an array of loan products. This involves a two-pronged effort on CPC's part: first, to facilitate the banks' origination process and, second, to provide reliable markets for the banks' sale of these loans.

To assist the origination process, CPC provides training sessions for its participating banks on the CPC products. Two challenges must be faced for this to be effective. First, institutions must become comfortable with dealing with owners and builders who have weak or unsubstantiated financial strength. CPC has developed a variety of tested techniques to address this issues.

Second, institutions must take on a non-traditional role of providing technical assistance to their potential borrowers. Many of these borrowers will have neither the skill nor the experience to utilize these loan programs. Additionally, if the loan product involves a public subsidy, the bank must become thoroughly familiar with its process and benefits and be able to assist the borrowers through the process.

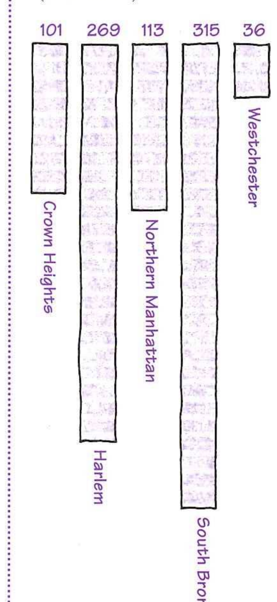
Once the bank originates the loan with any attendant construction financing, CPC will provide a forward-committed take out for the loan. This is particularly important for multifamily loans. First, numerous disincentives exist to discourage banks from keeping such loans in their portfolios, hence the need for a take out. Second, forward-committed funds are necessary to guard against projects becoming unaffordable if long-term interest rates rise during construction.

TOP
Eighty-nine affordable housing units will be created in the Bronx through the gut renovation of four six-story walk-up buildings through CPC and New York City's Vacant Building project. The buildings at 1382 and 1394 Crotona Avenue and 670 and 675 East 170th Street will provide eight apartments to formerly homeless families and 81 other low-income units with rents ranging from $286 to $335 for one-bedroom apartments, $312 to $400 for two-bedroom apartments and $349 to 475 for three-bedroom apartments.

BOTTOM LEFT
This new two-story building at 1 Rapp Road in Albany, New York, will consist of 2,800 square feet of office space on the lower level and two two-bedroom apartments on the upper level. The residential rent will be $650 per month for 880 square feet.

BOTTOM RIGHT
1367 Sterling Place in Brooklyn will provide 56 rehabilitated affordable units to current occupants and newcomers.

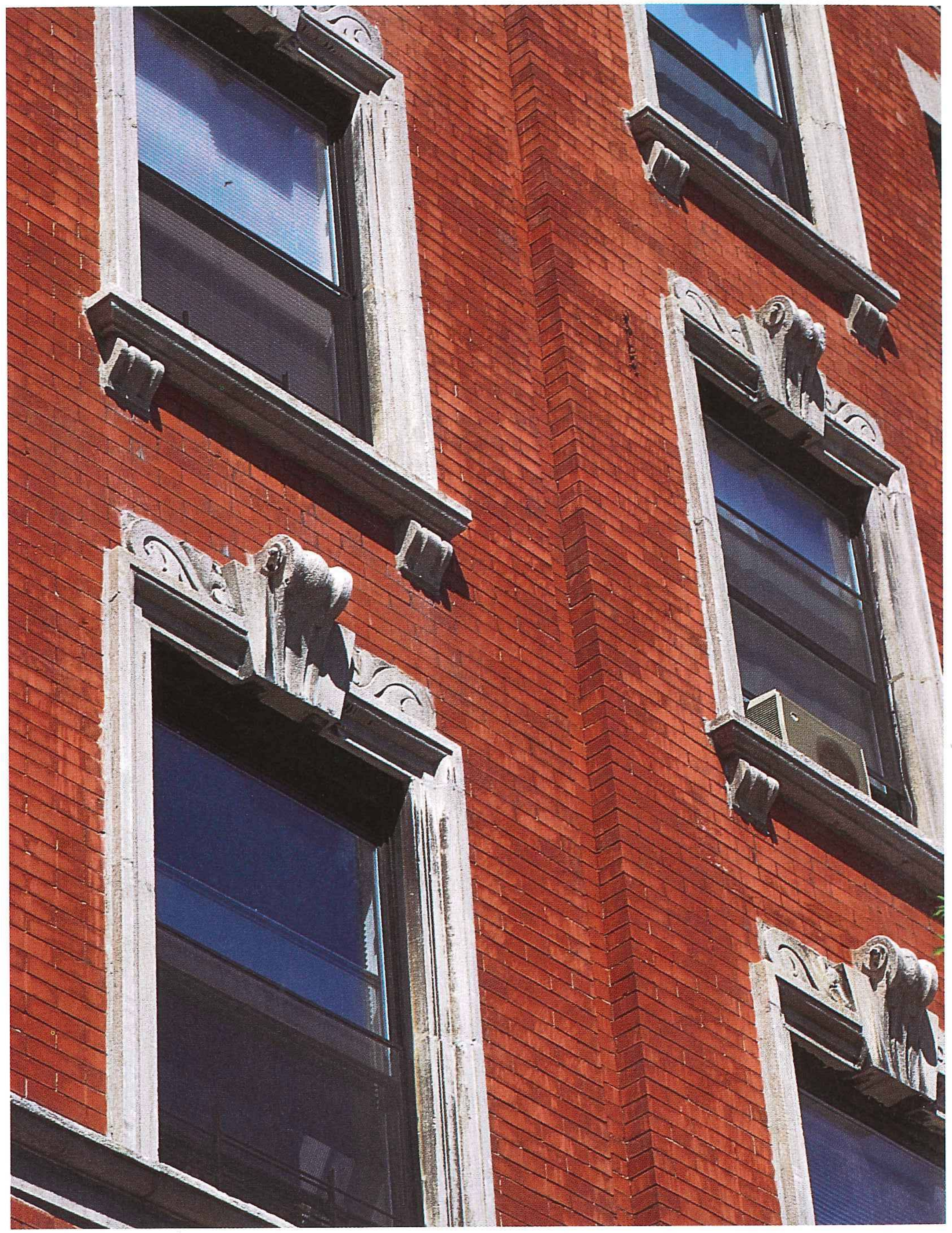
INVESTED FUNDS BY SELECTED AREA
($ in millions)



TOP
This fine architectural detail is from one of seven buildings between 117 and 141 West 116th Street, a vibrant commercial street in Harlem. Seven commercial stores were created, and the building contains 90 moderate-income units ranging from $525, $625 and $725 for one-, two- and three-bedroom apartments.

BOTTOM LEFT
In conjunction with $425,000 in Community Development Block Grants awarded by the Yonkers Bureau of Community Development, CPC provided $1,375,000 for this 34-unit factory which was converted to affordable housing.

BOTTOM RIGHT
The gut rehabilitation of this building in the Clinton Hill neighborhood of Brooklyn created eight new dwelling units, targeted to moderate-income families.



LEFT
This single-family home in Queens is undergoing a gut renovation under the CityHome program. When completed, it will be affordable to residents in the community.

LINKING UP WITH THE CAPITAL MARKETS

The credit needs of our low- and moderate-income neighborhoods are vast and must, at some point, be linked to the nation's capital markets. Forming this link — the final step in building a credit infrastructure — requires sound loans, partial risk sharing and market acceptance.

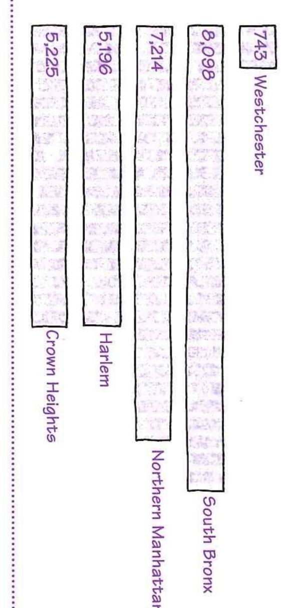
For loans to be sound, underwriting standards must be non-concessionary, with a view to the project's long-term viability. The monies must be lent at market rates, with any subsidy coming from the public and subordinated to private funds. CPC's underwriting has attempted to meet sound standards, as attested by its record of minimal defaults.

Despite the generally good record of lending in low- and moderate-income communities, this type of lending is not without risk. These neighborhoods are affected disproportionately by economic downswings — a few job losses by renters can effect the finances of a building. For that reason, both the City and State of New York have developed credit enhancement programs to share the investment risk.

With this credit enhancement, CPC has forged a powerful link to institutional lenders: City and State pension funds have committed to purchase up to $550 million of whole loans; CPC commercial and savings banks have agreed to purchase up to $122 million of securities backed by permanent loans (CPC Collateral Trust Notes), which can be revolved as loans are paid down or sold to other investors.

Additionally, CPC has sought to engage Freddie Mac and Fannie Mae in its lending programs. As a designated seller/servicer, CPC has made direct sales of mortgages to these organizations, as well as developed structured financing programs, whereby mortgages are guaranteed by Freddie Mac and Fannie Mae and sold on a forward-committed basis to our insurance companies and other investors. Other programs are in the works whereby Fannie Mae and Freddie Mac would reinsure City and State mortgage insurance and thereby provide higher quality ratings attractive to a broad number of investors.

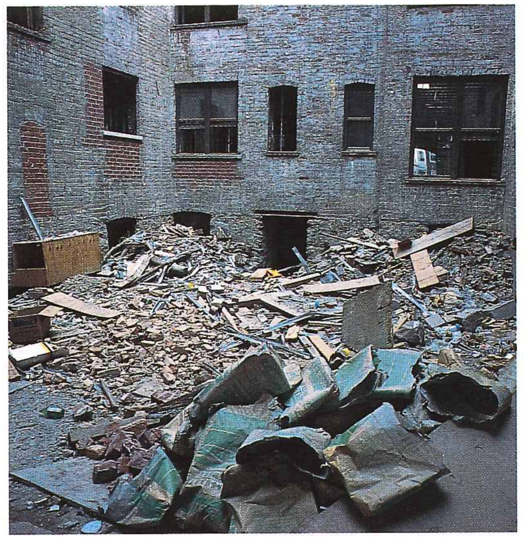
NUMBER OF UNITS BY SELECTED AREA

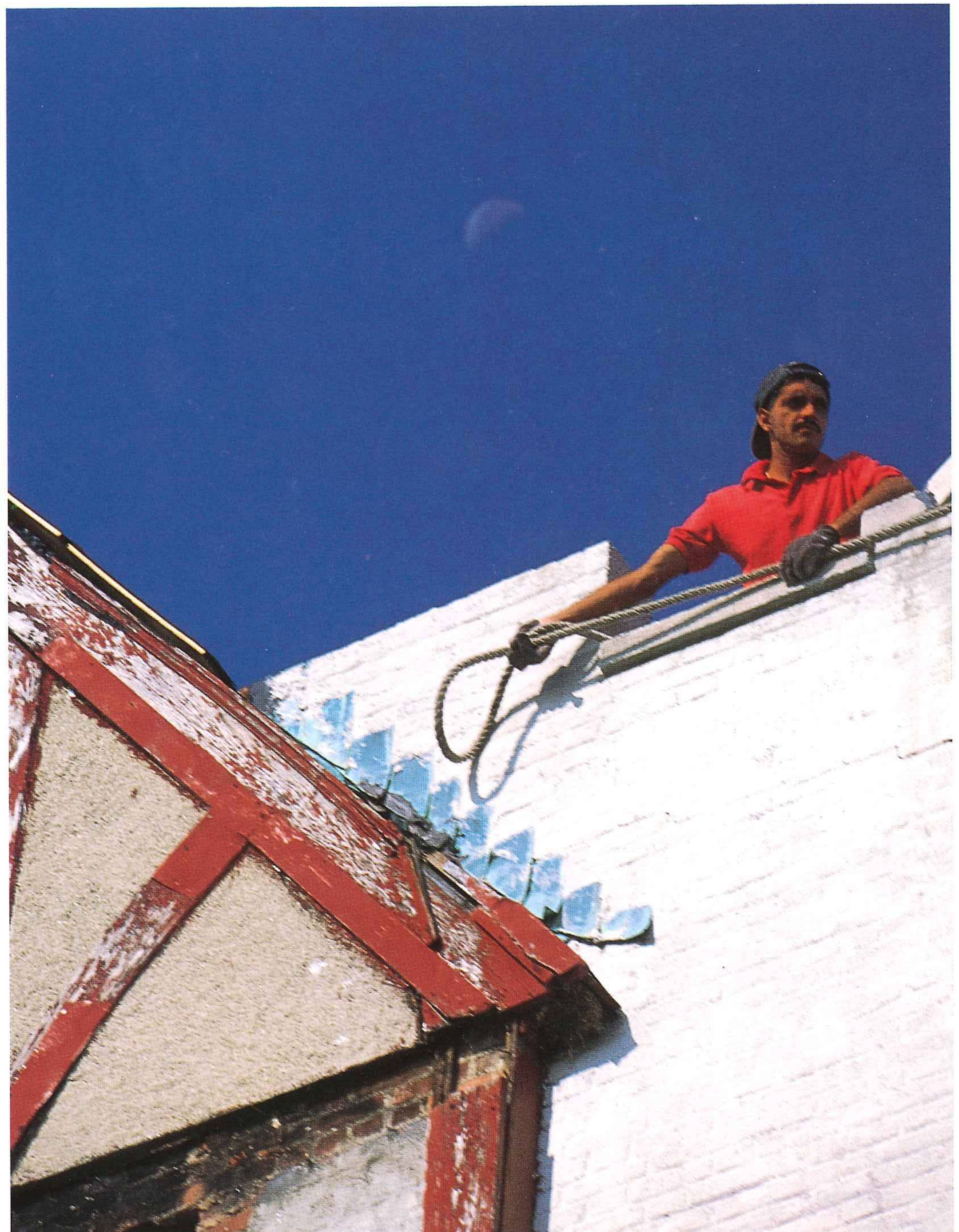


TOP LEFT
At 645 Lefferts Avenue in Crown Heights, Brooklyn, 22 condominiums will be built for moderate-income families.

TOP RIGHT
Seventy-six dwelling units will be produced through the moderate rehabilitation of 19 Parade Place, an occupied building in the Flatbush section of Brooklyn, as part of the City's Participation Loan Program.

BOTTOM
In Mt. Vernon, CPC is working in conjunction with the Mt. Vernon Community Development Agency to provide construction and permanent financing for a 66-unit partial moderate and partial gut renovation for low- and moderate-income families.





LEFT
The Heath Avenue Homes is a joint project between CPC and the New York City Partnership designed to create home-ownership opportunities. Four three-family homes are under construction and will be sold for $262,000.

A major problem to overcome is that most of the multifamily loan products developed for distressed neighborhoods do not conform to Fannie Mae and Freddie Mac standards. CPC is exploring ways of pooling and seasoning its affordable loan products so they may find better acceptance to these and other secondary market purchasers.

THE PUBLIC POLICY CLIMATE

The building of a system of neighborhood lending does not exist in a vacuum. It is intimately affected by a variety of governmental policies which can have an enormous impact on the viability of community investment. Two issues — water and sewer costs and lead paint remediation — are now critical to New York neighborhoods, but promise to have an important impact on low- and moderate-income neighborhoods in other urban centers.

WATER AND SEWER

Government mandated capital spending has increased the cost of water and sewer services for all New Yorkers. These costs have been a burden enough, with a near tripling of cost in the past several years. In low- and moderate-income neighborhoods, the burden is exacerbated as the payment system changes from a flat-rate to a usage-based method. In these communities, more water is used due to overcrowding, deteriorated plumbing, higher daytime use and less opportunity for travel.

The City is aware of the negative effects of these new costs on lower income areas. It is working hard to forestall costly filtration mandates, and has suspended the current billing rules until June, 1995. During this interlude, it is examining new policies which will try to meet the multiple demands of the water and sewer system, and the need to invest in low- and moderate-income housing.

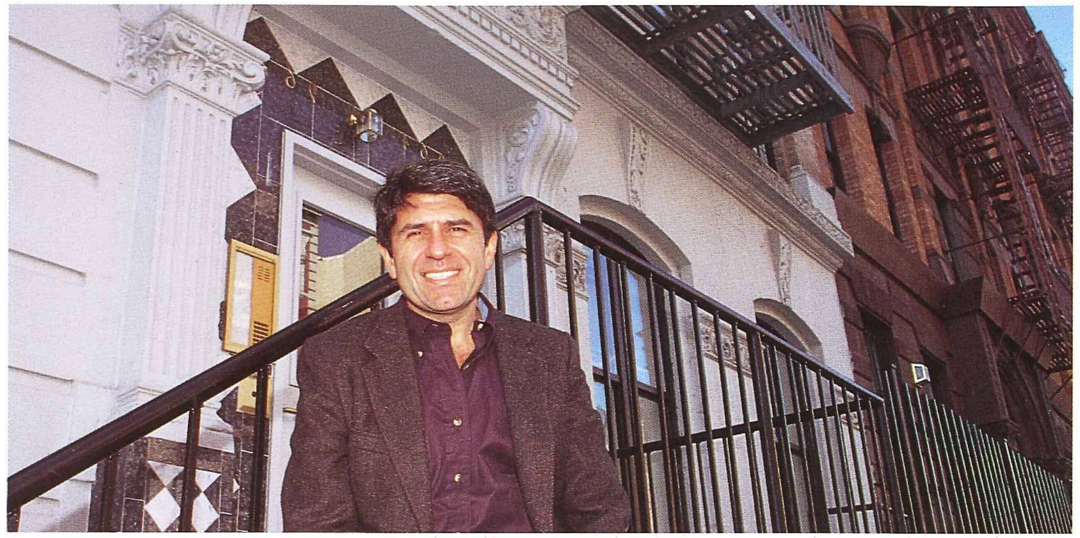
ROBERT EZRAPOUR

An important component of CPC's mission is to improve the skills of community-based developers and contractors. Robert Ezrapour of Artimus Construction is an example of CPC's successful effort to work with small developers, training the next generation of affordable housing owners/contractors.

Robert Ezrapour, born and raised in Iran, entered the New York City real estate business in 1987. His first project was the purchase and rehabilitation of a condominium in Harlem. CPC not only provided private financing, but helped Ezrapour through the complexities of meshing public subsidies with private finance.

Developing and managing real estate in Harlem and Washington Heights for the past seven years, Ezrapour has renovated 220 affordable units and owns and manages 238 units. "CPC is committed to providing resources and guidance to small developers like myself," said Ezrapour. "By providing support and incentives, CPC makes it possible to rehabilitate and manage affordable housing."

According to Ezrapour, the most challenging project during his continuing affiliation with CPC has been the rehabilitation project at 2006 Amsterdam Avenue. Overrun by unlawful drug activity, the building was a notorious blight on the neighborhood. "We were successful in cleaning up the building, and it is now fully rehabbed and operational," Ezrapour said.



CPC CREDIT INFRASTRUCTURE

1 DESIGNING LOAN PRODUCTS

1. Moderate & Gut Rehabilitation Product
   a. Construction Financing
   b. Forward-Committed Permanent Financing
   c. Credit Enhancement
   d. Public Subsidy
3. Refinancing
4. Co-op Financing
5. New Construction

2 CREATING ACCESS

1. One-Stop-Shop for Private Financing & Public Subsidies
2. Technical Assistance

3 CPC DISTRIBUTION SYSTEM

Train Member Banks to Originate Different Loan Products

4 LINK TO CREDIT MARKETS

1. Purchase Loan Products from Participating Banks
2. Package & Sell Loan Products to Pension Funds, CPC Bank and Insurance Investors and Fannie Mae and Freddie Mac

LEAD PAINT REMEDIATION

Regulation of the risk of lead exposure has become more important as its health hazards have become better understood. In housing, the main sources of contamination are found in deteriorated lead-based paint, found in much of the older housing in low- and moderate-income urban areas where housing was built before 1978. The cost of inspection and remediation of lead risks is one area of great concern to the housing sector. Another is the availability of insurance for older buildings, where the risk of lead-poisoning lawsuits is believed greatest. Legislators and regulators at all levels of government are searching for solutions which can effectively remove lead hazards within the context of the economic realities of low- and moderate-income housing. How this balance is achieved will be of critical importance to the ability to rebuild and preserve urban neighborhoods.

The support and resources of the organizations and institutions mentioned throughout this report have enabled CPC to accomplish a great deal during the past twenty years. It is all too apparent, however, that the need for decent affordable housing continues to grow.

As public subsidies will surely be further reduced in the years ahead, innovative private sector financing, along with greater private/public sector cooperation will be vital. CPC will continue to develop and implement financial programs to preserve and revive communities in New York City and throughout the State.

Located just north of Central Park in Harlem is an occupied fifty-unit, six-story elevator building undergoing a $1,123,000 moderate rehabilitation. CPC provided the construction loan for this New York City Participation Loan Program project.

FINANCIAL OVERVIEW

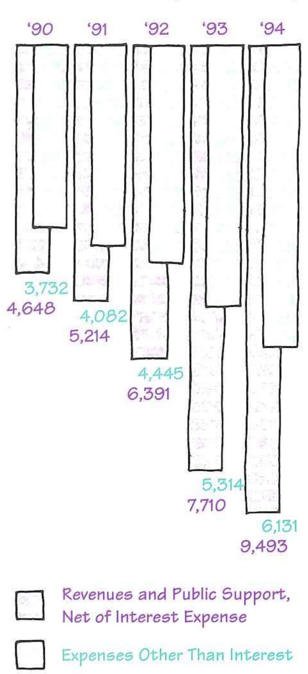
The Community Preservation Corporation completed its twentieth year with an operating surplus of approximately $3.4 million. Accumulated surpluses and reserves from all years now total approximately $17.0 million. Income from operations has exceeded expenses in each year since 1979. This financial stability 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 $136.2 million at this year's end, with another $45.0 million yet to be funded on closed loans. Over 50 percent of the company's construction lending this year represents the 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 Fannie Mae and Freddie Mac. 4) It enables CPC to expand its range of services. In fiscal year 1995, CPC will extend its lending area to include the entire State of New York.

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 $1.3 billion in mortgages by year-end for its own account and on behalf of participants, investors and other servicing clients.

Prospects for the future, while favorable, continue to be subject to fluctuations in several areas: 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 supply of public subsidies; and, the efficient functioning of government agencies affecting rental housing. A fourth factor that will have an impact upon CPC's rehabilitation activities in the coming year is uncertainty surrounding the issue of lead paint, including, among other things, the development and general acceptance of responsible abatement standards and the availability of liability insurance.

CPC INCOME & EXPENSES

($ in thousands)



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS OF THE COMMUNITY PRESERVATION CORPORATION:

We have audited the accompanying consolidated balance sheets of The Community Preservation Corporation (a New York not-for-profit corporation) and Subsidiary as of June 30, 1994 and 1993, and the related consolidated 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 and Subsidiary as of June 30, 1994 and 1993, and the results of their operations and changes in their fund balance for the years then ended in conformity with generally accepted accounting principles.

Arthur Andersen LLP

New York, New York
October 17, 1994

THE COMMUNITY PRESERVATION CORPORATION AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS
JUNE 30, 1994 AND 1993

ASSETS	1994	1993
Investment in First Mortgage Loans, net of participations, deferred commitment fees and allowance for possible investment losses (Notes 4, 5 and 6):		
Construction loans	$ 88,002,885	$ 78,511,905
Permanent mortgage loans	48,205,322	35,319,123
	136,208,207	113,831,028
Cash and Cash Equivalents, including restricted funds of $65,485,283 and $69,705,085 in 1994 and 1993, respectively	75,857,103	73,838,153
Accrued Interest Receivable	1,115,822	938,988
Other Receivables	3,173,217	9,915,886
Other Assets, net	1,938,651	1,636,243
	$218,293,000	**$200,160,298**

LIABILITIES AND FUND BALANCE	1994	1993
Liabilities:		
Notes payable under revolving credit agreement — unsecured (Note 7)	$ 91,600,000	$ 68,500,000
Accounts payable and accrued expenses	6,359,272	5,204,770
Participants' deposits (Note 10)	61,192,797	79,575,653
Escrow, deposits and other liabilities	43,000,957	34,102,243
	202,153,026	187,382,666
Commitments and Contingencies (Notes 4 and 13)		
Fund Balance	16,139,974	12,777,632
	$218,293,000	**$200,160,298**

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

CONSOLIDATED STATEMENTS OF SUPPORT, REVENUES AND EXPENSES AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 1994 AND 1993

	1994	1993
Revenues and Public Support:		
Interest on first mortgage loans	$11,729,673	$ 8,960,176
Servicing fee income	2,757,962	2,460,723
Interest on short-term investments	334,377	495,432
Commitment fees	169,744	324,454
Other revenues	61,322	422,482
Public support	80,000	67,325
Total revenues and public support	**15,133,078**	**12,730,592**
Expenses:		
Interest expense (Note 12)	5,639,559	5,020,481
Employee compensation and benefits (Note 14)	3,212,096	2,733,685
Professional fees	605,996	613,927
Office expenses (Note 13)	1,002,990	860,823
Depreciation and amortization	408,131	386,273
Other expenses	901,964	719,563
Total expenses	**11,770,736**	**10,334,752**
Excess of revenues and public support over expenses	3,362,342	2,395,840
Fund Balance, beginning of year	12,777,632	10,381,792
Fund Balance, end of year	**$16,139,974**	**$12,777,632**

The accompanying notes are an integral part of these consolidated statements.

THE COMMUNITY PRESERVATION CORPORATION AND SUBSIDIARY NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1994 AND 1993

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 ameliorated 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 credit facilities of the Corporation, as required by the Board of Directors (Notes 7 and 8). 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.

On November 2, 1992, CPC Resources Inc. (the "Subsidiary") was incorporated under Section 402 of the Business Corporation Law of the State of New York as a for-profit corporation. CPC is the sole shareholder of the Subsidiary's 100 issued and outstanding shares of $1 par value stock. CPC made capital contributions to the Subsidiary of $300,000 and $1,850,000 on January 8, 1993 and August 4, 1993, respectively.

The purpose of the Subsidiary is to function primarily as a servicer for mortgage loans held by the private sector, to seek equity participation in loans or real estate ownership of residential properties in low and moderate income neighborhoods within New York City and New York State and to provide consulting services on affordable housing development and financing. As of June 30, 1994, the Subsidiary, other than beginning a single consulting assignment, had not commenced its intended operations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of CPC are as follows:

PRINCIPLES OF CONSOLIDATION

CPC began consolidating its wholly owned Subsidiary in 1994. All intercompany balances and transactions were eliminated in consolidation.

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. This determination does however apply to any net income earned from business which is not directly related to the tax-exempt purposes of the Corporation. During the current year, CPC generated unrelated business net income which CPC earned from the servicing of certain mortgage loans for the private sector. In addition, short-term investment income earned by the Subsidiary is subject to tax. As a result, CPC and the Subsidiary have recorded Federal, State and City Corporation income taxes of $79,064 and $21,049 in 1994 and 1993, respectively, which are included in other expenses in the accompanying financial statements.

INCOME RECOGNITION

Interest on first mortgage 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, 1994 and 1993, net deferred commitment fees consisted of the following:

	1994	1993
Unamortized deferred commitment fees	$4,684,505	$3,927,632
Unamortized deferred loan origination costs	(4,054,024)	(3,323,733)
	$ 630,481	$ 603,899

Net deferred commitment fees are included on the consolidated balance sheets as part of the Corporation's investment in first mortgage loans (Note 4).

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 8) 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. Purchased mortgage servicing rights of approximately $438,000 is included in other assets and is being amortized over 9 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.

3 DISCLOSURES ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate such a value:

CASH AND CASH EQUIVALENTS

For these short-term instruments, the carrying amount is a reasonable estimate of fair value.

INVESTMENT IN FIRST MORTGAGE LOANS

CPC considers the carrying amount of its investment in first mortgage loans to be a reasonable estimate of fair value as the interest rates on its construction loans float with market rates and the fixed rates on its permanent loans are set at market prior to their origination date and are sold or pledged, on a non-recourse basis, at par, generally pursuant to existing commitments made by the purchaser or the pledgee.

DEPOSIT LIABILITIES

CPC considers the fair value of participants' deposits and escrow and other deposits of borrowers to be their face amounts, as participant deposits are held to be advanced at par, and borrower deposits are to be either retained by CPC at par, paid at par for applicable purposes or returned at par to eligible borrowers.

NOTES PAYABLE

CPC considers the carrying amount of its notes payable under the revolving credit agreement to represent their fair value as the interest rate on this obligation floats with market rates.

COMMITMENTS TO EXTEND CREDIT

CPC considers the fair value of these commitments to be equal to the contractual amounts to be funded by CPC on each loan.

4 INVESTMENT IN FIRST MORTGAGE LOANS AND RELATED COMMITMENTS

The following is a summary of closed first mortgage loans in which CPC has participated, as of June 30, 1994 and 1993 (000's omitted except for number of loans):

1994	Construction	Permanent	Total
Number of loans	164	420	584
Funded commitments:			
Total funded balance, net of repayments	$253,039	$535,918	$788,957
Less-			
Participants' interests	163,697	308,541	472,238
Mortgage loans sold (Note 9)	—	136,529	136,529
Mortgage loans pledged (Note 8)	—	42,452	42,452
Corporation's portion	89,342	48,396	137,738
Allowance for possible investment losses	(900)	—	(900)
Net deferred commitment fees	(439)	(191)	(630)
	$ 88,003	$ 48,205	$136,208

1993	Construction	Permanent	Total
Number of loans	157	355	512
Funded commitments:			
Total funded balance, net of repayments	$247,434	$472,171	$719,605
Less-			
Participants' interests	167,601	279,055	446,656
Mortgage loans sold (Note 9)	—	117,118	117,118
Mortgage loans pledged (Note 8)	—	40,496	40,496
Corporation's portion	79,833	35,502	115,335
Allowance for possible investment losses	(900)	—	(900)
Net deferred commitment fees	(421)	(183)	(604)
	$ 78,512	$ 35,319	$113,831

At June 30, 1994, 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	164	$ 44,993
Commitments for new loans including those for which borrower acceptance is pending	83	71,423
	247	$116,416

The Corporation's participants in various existing construction loans and commitments for new construction loans are obligated to lend an aggregate of an additional $83 million in connection with such loans and commitments.

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 nongovernmental agency participants) which are expected to be pledged to secure nonrecourse collateral trust notes or sold to city or state pension funds, are insured with the New York City Residential 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 75% 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.

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. However, in certain circumstances the New York City Department of Housing Preservation and Development's participation in certain loans is subordinate to the participation of CPC and others. This reduces the risk of loss to CPC and others on such construction loans.

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, 1994, 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 $1.1 million which is in the process of foreclosure. At June 30, 1994, the Corporation did not hold any properties as a result of foreclosure actions.

The allowance for possible investment losses at June 30, 1994 and 1993 was $900,000. 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 $16.1 million at June 30, 1994, is available to cover any presently unforeseen losses which may occur as a result of its lending activities.

RESTRUCTURED FIRST MORTGAGE LOANS

During August 1992, a trustee appointed by federal 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. In 1994, certain escrows were released and certain tax refunds were received. As a result, the Corporation recognized approximately $830,000 of income in 1994, representing the amount of interest which the Corporation, in accordance with its accounting policies, had not previously recognized.

REVOLVING CREDIT AGREEMENT

On November 16, 1992, the Corporation renewed its credit agreement with certain banks. Under the terms of the renewed credit agreement, the banks have agreed to lend the Corporation up to approximately $134 million through January 31, 1998, generally for the purpose of financing construction loans made by the Corporation. Borrowings are evidenced by notes which mature on January 31, 1999. 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 1994 and 1993 were at interest rates which ranged from 6.0% to 7.25% and 6.0% to 6.5%, respectively. At June 30, 1994 and 1993, the interest rates on these borrowings were 7.25% and 6.0%, respectively. At June 30, 1994 and 1993, the outstanding balances under this agreement were $91.6 million and $68.5 million, respectively.

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 $106.8 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, 1994 and 1993, the remaining outstanding principal balances of these notes were approximately $42.5 million and $40.5 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, 1994, was approximately $64.3 million.

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 (collectively, 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, 1994, 193 loans with an original principal amount of approximately $146 million have been sold to the Pension Funds, the remaining outstanding principal balance of which is approximately $135 million. At that date, the Pension Funds were committed to purchase approximately $168 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, 1994, was approximately $86 million.

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.

At June 30, 1994 and 1993, participants' deposits consisted of the following:

	1994	1993
HPD:		
Unadvanced loan commitments and accumulated interest on short-term investments	$54,770,958	$72,688,586
Mortgage interest collections and other deposits	2,086,072	1,419,424
Total HPD	56,857,030	74,108,010
Other participants	4,335,767	5,467,643
Total participants' deposits	**$61,192,797**	**$79,575,653**

CONSTRUCTION AND PERMANENT LOAN SERVICING

Pursuant to the terms of a servicing agreement dated January 10, 1978, the Corporation services the mortgage loans pledged as collateral for the nonrecourse collateral trust 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.

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

The Corporation provides construction loan servicing with respect to loans originated by others on a portfolio of loans with an aggregate outstanding balance of approximately $194 million. CPC receives a servicing fee equal to 1/4 of 1% of the outstanding balance of each loan serviced. In addition, under servicing agreements entered into during 1992, the Corporation is providing permanent loan servicing with respect to loans owned by The Federal Home Loan Mortgage Corporation ("Freddie Mac") with an aggregate outstanding balance of approximately $277 million at June 30, 1994. CPC receives a servicing fee ranging from 1/8 of 1% to 1/2 of 1% of the outstanding balance of each loan serviced for Freddie Mac.

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 not yet advanced for each construction loan in which HPD has agreed to participate. 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.

The Corporation is providing loan servicing with respect to loans originated by CPC and owned by the Federal National Mortgage Association ("Fannie Mae") with an aggregate outstanding balance of approximately $1.5 million at June 30, 1994. CPC receives a servicing fee of 1/4 of 1% of the outstanding principal balance of each loan serviced for Fannie Mae.

INTEREST EXPENSE

Interest expense consisted of the following for the years ended June 30, 1994 and 1993:

	1994	1993
Interest on revolving credit agreement	$4,951,683	$4,065,468
Interest on escrows	479,493	289,698
Interest on construction performance deposits	208,383	665,315
	$5,639,559	**$5,020,481**

COMMITMENTS AND CONTINGENCIES

The Corporation leases office space in four locations under agreements which expire at various times through 1998. Annual base rents are subject to escalations or decreases as provided for in the leases. Rental expense for 1994 and 1993 was $427,307 and $377,223, respectively, and is included in office expenses in the accompanying consolidated financial statements. The minimum annual rentals under noncancelable leases are due as follows:

1995	$319,975
1996	298,020
1997	106,840
1998	44,917
	$769,752

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.

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, 1994 and 1993, was $220,000 and $195,000, respectively. The net plan assets available for benefits at June 30, 1994, the last valuation date of the Plan, was $1,680,265.

NEW ACCOUNTING PRONOUNCEMENTS

In June 1993, the Financial Accounting Standards Board issued Statement on Financial Accounting Standards No. 117 ("SFAS No. 117"), Financial Statements of Not-for-Profit Organizations. As a result, the Corporation will be required to present a statement of cash flows accompanying its financial statements in accordance with Statement on Financial Accounting Standards No. 95. The Corporation is required to adopt SFAS No. 117 in its fiscal year ending June 30, 1996.

SUBSEQUENT EVENT

In August 1994, the Corporation's Board of Directors decided to accept an offer to consolidate (by merger, acquisition or otherwise) with the Community Lending Corporation ("CLC") (a New York not-for-profit organization organized for purposes essentially identical to those of the Corporation but providing mortgage financing in selected neighborhoods in the upstate New York region). As of October 17, 1994, the acquisition has not as yet been consummated.

TWO DECADES OF LEADERSHIP

A project of the CityHome program for ownership, CPC financed the gut rehabilitation of four buildings on Wyona Street to create 12 affordable housing units in Brooklyn.

CPC CHAIRMEN, PRESIDENTS AND DIRECTORS 1974-1994

CHAIRMEN

Alfred S. Mills
1974-1978

James O. Boisi
1978-1980

Joseph C. Brennan
1981-1982

John D. Kyle
1983-1984

Donald L. Thomas
1984-1986

Francis L. Bryant, Jr.
1986-1987

Jeffrey R. Grandy
1987-1988

Raymond V. O'Brien, Jr.
1988-1990

James F. Murray
1990-1991

Harry D. Garber
1991-1993

Michael Hegarty
1993-Present

PRESIDENTS

Warren T. Lindquist
1974-1977

Edgar A. Lampert
1977-1980

Michael D. Lappin
1980-Present

DIRECTORS

Theodossios Athanassiades
1993-Present
Metropolitan Life Insurance Company

James O. Boisi
1979-1986
Morgan Guaranty Trust Company of New York

Robert G. Brandely
1978-1979
The East New York Savings Bank

Joseph C. Brennan
1975-1984
Emigrant Savings Bank

William R. Brennan, Jr.
1975, 1979-1981
Harlem Savings Bank

Francis L. Bryant, Jr.
1985-1987
Manufacturers Hanover Trust Company

Eugene J. Callan
1979-1981
The New York Bank for Savings

Jill M. Considine
1993-Present
New York Clearing House Association

Glen E. Coverdale
(CPC) 1989-1993
(HPMC) 1987-1989
Metropolitan Life Insurance Company

Morris D. Crawford, Jr.
1978
The Bowery Savings Bank

Frank G. Creamer, Jr.
1989-1991
Citicorp Real Estate, Inc.

George L. Engelke, Jr.
1994-Present
Astoria Federal Savings & Loan Association

Edward A. Farley
1982
Manufacturers Hanover Trust Company

William C. Frentz
(CPC) 1989-Present
(HPMC) 1986-1989
Guardian Life Insurance Company of America

Harry D. Garber
(CPC) 1989-Present
(HPMC) 1987-1989
The Equitable Financial Companies

Michael J. Gill
1977-1978
Bankers Trust Company

Jeffrey R. Grandy
1982-1989
Citicorp North America

Richard M. Gunthel
1988-Present
Bankers Trust Company

Charles J. Hamm
1994-Present
Independence Savings Bank

Michael Hegarty
1992-Present
Chemical Banking Corporation

William G. Herbster
1974-1976
First National City Bank

Harold K. Herzog
(HPMC) 1986-1987
New York Life Insurance Company

John A. Hooper
1979-1985
The Chase Manhattan Bank, N.A.

Pazel G. Jackson, Jr.
1982-1986
The Bowery Savings Bank

Richard A. Kraemer
1991-Present
CrossLand Federal Savings Bank

John D. Kyle
1981-1988
Chemical Bank

Edward M. Lamont
1975-1978
Morgan Guaranty Trust Company of New York

CPC CENTRAL OFFICE

Standing
Jack Greene
Nancy G. Feldman
John M. McCarthy
Dale F. McDonald

Seated
Susan M. Pollock
Richard A. Kumro
Kathleen A. Dunn

UPSTATE OFFICE

Left to Right
Beverly A. Fowler
Alice Wong
Mary Scanlon

Edgar A. Lampert
1974, 1980-1981

Michael D. Lappin
1988-Present
The Community Preservation Corporation

I. J. Lasurdo
1982-1991
The Green Point Savings Bank

Robert N. Laughlin
1991-1992
Citicorp Real Estate, Inc.

John F. Lee
1974-1993
New York Clearing House Association

Robert O. Lehrman
1987-Present
Community Bankers Association of New York State

Gerald M. Levy
1989-1992
Chemical Realty Group

William G. Lillis
1982-1992
American Savings Bank

Warren T. Lindquist
1974, 1980-1981

Robert I. Lipp
1979-1980
Chemical Bank

Robert A. McCormack
1992-Present
Citibank, N.A.

Jerome R. McDougal
1992-Present
River Bank America

Charles H. Miller
1975
Dime Savings Bank of New York

Alfred S. Mills
1974-1978
The New York Bank for Savings

John H. Motley
1988
Chemical Bank

Francis X. Murphy
1977-1978
Marine Midland Bank

James F. Murray
1985-1991
The Chase Manhattan Bank, N.A.

John M. Nosworthy
1975-1977
Eastern Savings Bank

Raymond V. O'Brien, Jr.
1985-Present
Emigrant Savings Bank

Thomas P. O'Connor
(HPMC) 1987-1988
New York Life Insurance Company

Frank J. Ollari
(CPC) 1989-Present
(HPMC) 1989
New York Life Insurance Company

William F. Olson
1989-1994
Peoples Westchester Savings Bank

William E. Panitz
1974, 1976-1978
Citibank, N.A.

William C. Plog
1974
TASCO

John R. Price
1974-1975
Manufacturers Hanover Trust Company

Joseph H. Quinn
1974-1976
The Chase Manhattan Bank, N.A.

Vincent J. Quinn
1983-1984
Metropolitan Savings Bank

John W. Raber
1979-1981
The Green Point Savings Bank

Lloyd Reed
(HPMC) 1987-1988
Mutual Life Insurance Company of New York

David Rockefeller
1974-1976
The Chase Manhattan Bank, N.A.

Frederick H. Schneider
1981-1982
Roosevelt Savings Bank

Robert W. Shippee
1993-Present
The Chase Manhattan Bank, N.A.

Charles C. Smith
1979-1981
Bankers Trust Compnay

John A. Somers
1990-Present
Teachers Insurance & Annuity Association

Robert S. Strong
1991-1993
The Chase Manhattan Bank, N.A.

Donald L. Thomas
1975-1989
Anchor Savings Bank

Kenneth H. Thorn
1994-Present
First Fidelity Bank, N.A., New York

George F. Ulich
1978, 1980
The Williamsburgh Savings Bank

John H. Vogel
1979-1981
National Bank of North America

Robert F. Wallace
1983-1985
National Westminister Bank USA

Michael J. Wechsler
1974-1978
Chemical Bank

Timothy J. Welch
1994-Present
Equitable Real Estate Investment Management, Inc.

References to HPMC are to Housing Partnership Mortgage Corporation, which existed from 1986-1989.
CPC directors during that time were also directors of HPMC.

MANHATTAN / BRONX OFFICE

Standing
Christopher Garlin
Patricia Young
Bruce Dale
Richard P. Conley

Seated
Dennis Headen
Gunnel Rydstrom
Patricia Lam

CURRENT DIRECTORS & OFFICERS

BOARD OF DIRECTORS

Michael Hegarty
Chairman
Senior Executive Vice President
Chemical Banking Corporation

Jerome R. McDougal
Vice Chairman
President & CEO
River Bank America

Theodossios Athanassiades
President & COO
Metropolitan Life Insurance Company

Jill M. Considine
President
New York Clearing House Association

George L. Engelke, Jr.
President & CEO
Astoria Federal Savings & Loan Association

William C. Frentz
Vice President, Real Estate Investments
Guardian Life Insurance Company of America

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

Richard M. Gunthel
Managing Director
BT Securities Corporation
Bankers Trust New York Corporation

Charles J. Hamm
President & CEO
Independence Savings Bank

Richard A. Kraemer
Chairman & CEO
CrossLand Federal Savings Bank

Michael D. Lappin
President & CEO
The Community Preservation Corporation

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

Robert A. McCormack
Executive Vice President
Citibank, N.A.

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

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

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

Robert W. Shippee
Senior Vice President
The Chase Manhattan Bank, N.A.

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

Kenneth H. Thorn
President & COO
First Fidelity Bank, N.A., New York

Timothy J. Welch
Senior Executive Vice President
Equitable Real Estate Investment Management, Inc.

*Resigned during 1993-94

MORTGAGE COMMITTEES

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

Roland M. Peracca, Jr.
Vice Chairman, NYC
Vice President
The Chase Manhattan Bank, N.A.

Margaret A. O'Leary
Vice Chairwoman, Hudson Valley
Real Estate Vice President
New York Life Insurance Company

James H. Bason
Vice President
The Bank of New York

Diane Borradaile
Vice President
Chemical Community Development, Inc.

George C. Campbell
Senior Vice President
First National Bank of the Hudson Valley

Maureen D. Connolly
Vice President/Mortgage Officer
First Fidelity Bank, N.A., New York

Frank J. Fogg
Vice President, Lending
Middletown Savings Bank

LONG ISLAND OFFICE
Marie Petitfrere
Marc A. Francis

Bernice L. Giscombe
Vice President
Citibank, N.A.

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
The Bank of New York Mortgage Company

Jansen Noyes III
Senior Vice President
Emigrant Savings Bank

Leonard Saluto*
First Senior Vice President
First Fidelity Bank, N.A., New York

Robert F. Simington
Vice President & Senior Mortgage Officer
Putnam County Savings Bank

Joseph E. Sledge
Vice President
Meropolitan Life Insurance Company

*Resigned during 1993-94

OFFICERS AND STAFF

Michael D. Lappin
President & CEO

John M. McCarthy
Executive Vice President & COO

CENTRAL OFFICE

Diane Amiel
Staff Accountant

Carolyn Au
Assistant Vice President

Erica Ball
Aministrative Assistant

Linda I. Bati
Office Assistant

Rhonda Berk
Loan Administrator

Arlene T. Carroll
Assistant to the President

Maureen F. Charles
Loan Administrator

Cindy Chin
Staff Accountant

Mamie Dozier
Accounts Payable Specialist

Kathleen A. Dunn
Vice President

Nancy G. Feldman
Vice President

Aimee J. Frank
Director of Communications

Lisa Getter
Closing Coordinator

Jack Greene
Senior Vice President

Joan Guerra
Executive Assistant

Kathleen Hager
Assistant to the General Counsel

Marian C. Hassett
Executive Assistant

Connie Hui
Loan Servicer

Richard A. Kumro
Vice President, General Counsel & Secretary

Marilyn Laguer
Receptionist

Dianna Look
Assistant Vice President

Louise Massie
Loan Servicer

Maria McCullough
Closing Coordinator

Dale F. McDonald
Senior Vice President

Andrea Miller
Secretary

Allyson Morgan
Closing Coordinator

Susan M. Pollock
Vice President

Dale Rainwater
Assistant Treasurer

Brenda Ratliff
Executive Assistant

Creston Rice
Executive Assistant

Stefan J. Sebastian
Vice President

Veronica Valdez
Executive Assistant

Crystal Webb
Staff Accountant

Garrett Williams
Office Assistant

MANHATTAN/BRONX OFFICE

Bruce Dale
Vice President

Richard P. Conley
Vice President

Christopher Garlin
Mortgage Officer

Dennis Headen
Field Inspector

Patricia Lam
Assistant Mortgage Officer

Gunnel Rydstrom
Mortgage Officer

Reginald J. Spencer
Assistant Mortgage Officer

Patricia Young
Administrative Assistant

BROOKLYN/QUEENS/ STATEN ISLAND OFFICE

Mary A. Brennan
Senior Vice President

Patricia Figueroa
Mortgage Analyst

Susan E. Foresta
Assistant Vice President

Tricia Key
Administrative Assistant

Justin Peyser
Neighborhood Mortgage Officer

HUDSON VALLEY OFFICE

Thomas P. McGrath
Vice President

Eileen M. Cronin
Loan Administrator

Annmarie Lobban
Administrative Assistant

Sadie McKeown
Mortgage Officer

Mark D. Spiegel
Mortgage Officer

LONG ISLAND OFFICE

Marc A. Francis
Vice President

Marie G. Petitfrere
Assistant

BROOKLYN / QUEENS / STATEN ISLAND OFFICE

Left to Right
Tricia Key
Justin Peyser
Mary A. Brennan
Susan E. Foresta
Patricia Figueroa

CPC RESOURCES, INC.*

DIRECTORS

Theodossios Athanassiades
William C. Frentz
Harry D. Garber
Richard M. Gunthel
Michael Hegarty
Richard A. Kraemer
Michael D. Lappin
Robert O. Lehrman
Robert A. McCormack
Jerome R. McDougal
Raymond V. O'Brien, Jr.
Morton Olshan
John A. Somers

OFFICERS

Michael D. Lappin
President & CEO

John M. McCarthy
Executive Vice President

Kathleen A. Dunn
Senior Vice President

Richard A. Kumro
Vice President & Secretary

*CPC Resources, Inc. is a wholly owned subsidiary of The Community Preservation Corporation.

COMMUNITY LENDING CORPORATION

Thomas P. McGrath
Executive Vice President

Alice M. Wong
Senior Vice President

Beverly A. Fowler
Administrative Assistant & Corporate Secretary

CONSULTING PROFESSIONALS

ATC Environmental Inc.
Gerry Bakirtjy, A.I.A.
Daniel Frankfurt, P.E.
EEA Inc.
Peter Franzese, P.E.
Herbert Gallin, P.E.
Inspection & Valuation International
Garrison McNeil, R.A.
William Meyer, R.A.
Robert J. Santoriello, R.A.

AUDITORS

Arthur Andersen LLP

CORPORATE COUNSEL

Sullivan & Cromwell

REAL ESTATE COUNSEL

Brown Raysman & Millstein
Herrick, Feinstein
Law Offices of Lawrence McGaughey
Patterson, Belknap, Webb & Tyler
Plunkett & Jaffe, P.C.

LITIGATION COUNSEL

Hahn & Hessen

HUDSON VALLEY OFFICE

Left to Right
Thomas P. McGrath
Sadie McKeown
Annmarie Lobban
Mark D. Spiegel
Eileen Cronin

CPC OFFICES

CENTRAL
5 West 37th Street
New York, New York 10018
(212) 869-5300

MANHATTAN/BRONX
3154 Albany Crescent
Bronx, New York 10463
(718) 601-6600

BROOKLYN/QUEENS/ STATEN ISLAND
One Metrotech Center, North
Suite 1001
Brooklyn, New York 11201
(718) 522-3900

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

LONG ISLAND
6851 Jericho Turnpike
Suite 230
Syosset, New York 11791
(516) 364-4800

UPSTATE
Community Lending Corporation
1 Metro Park Road
Albany, New York 12205
(518) 453-1691

PARTICIPATING INSTITUTIONS

COMMERCIAL BANKS
Amalgamated Bank of New York
Arab Bank plc
Banco Popular de Puerto Rico
The Bank of New York
The Bank of Tokyo Trust Company
Bankers Trust Company
Barclays Bank of New York, N.A.
Canadian Imperial Bank of Commerce (NY)
The Chase Manhattan Bank, N.A.
Chemical Bank
Citibank, N.A.
European American Bank
First Fidelity Bank, N.A., New York
First National Bank of the Hudson Valley
Marine Midland Bank, N.A.
Morgan Guaranty Trust Company of New York
National Westminster Bank USA
North Fork Bank
Sterling National Bank & Trust Company of New York
United States Trust Company of New York

SAVINGS INSTITUTIONS
Anchor Savings Bank
Apple Bank for Savings
Astoria Federal Savings & Loan Association
CrossLand Federal Savings Bank
The Dime Savings Bank of New York, FSB
The Dime Savings Bank of Williamsburgh
The East New York Savings Bank
Emigrant Savings Bank
Flushing Savings Bank
The Green Point Savings Bank
Hamilton Federal Savings F.A.
Home Savings of America, FSB
Independence Savings Bank
Jamaica Savings FSB
The Long Island Savings Bank, FSB
Middletown Savings Bank
North Side Savings Bank
Putnam County Savings Bank
Queens County Savings Bank
Republic Bank for Savings
Rhinebeck Savings Bank
Ridgewood Savings Bank
River Bank America
Roosevelt Savings Bank

INSURANCE COMPANIES
The Equitable Life Assurance Society of the United States
The 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 of America

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