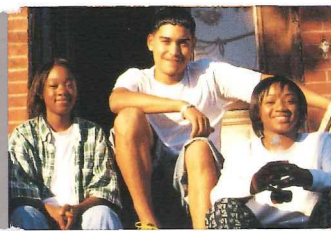
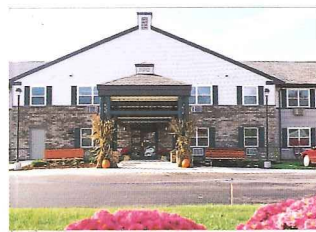




THE COMMUNITY PRESERVATION CORPORATION



1999 Annual Report

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Phase I of the Lander Street row houses project is nearing completion. The \$2.6 million gut rehabilitation of 32 vacant buildings in the City of Newburgh has restored some of the most beautiful homes in the Hudson Valley and revitalized an entire neighborhood. SONYMA provided mortgage insurance.

Fiscal Year Performance

Year Ended June 30, 1999
unless otherwise stated

NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (DOLLARS)

| | |
|--|-------------|
| CPC, Pension Funds (Permanent Loans Only)* | |
| & Other Private Funds | 207,793,306 |
| Public Funds | 19,853,605 |
| Total | 227,646,911 |

NEW CONSTRUCTION AND PERMANENT LOANS CLOSED (UNITS)

| | |
|----------------|-------|
| Bronx | 1,121 |
| Brooklyn | 1,117 |
| Manhattan | 412 |
| Queens | 17 |
| Staten Island | 116 |
| Long Island | 4 |
| Hudson Valley | 965 |
| Eastern Region | 733 |
| Central Region | 369 |
| Western Region | 351 |
| Total | 5,205 |

PERMANENT CONVERSIONS (DOLLARS)

| | |
|---|-------------|
| CPC, Pension Funds* & Other Private Funds | 132,047,164 |
| Public Funds | 11,838,501 |
| Total | 143,885,665 |

LENDING RECORD 1974-1999**

| | |
|----------------------------|---------------|
| CPC Closed Loans (Dollars) | 2,132,686,558 |
| CPC Closed Loans (Units) | 67,421 |

*Permanent loans include those sold to CPC sponsors via collateral trust notes, whole loans sold to various pension funds - New York City Police Pension Fund, New York City Employees Retirement System, Teachers Retirement System of the City of New York, the New York State Common Retirement Fund and the Pension Fund of the United Methodist Church - as well as loans sold to Freddie Mac and Fannie Mae.

**Includes \$25,061,870 and 295 units of end loans, record as of June 30, 1999.

Celebrating our 25th Year!

Over the course of the past 25 years, CPC has become nationally recognized as a leader in the financing of affordable housing. Since its founding in 1974, CPC has financed the rehabilitation or construction of nearly 70,000 units, representing a total investment of private and public debt of more than \$2.1 billion. The investments have been made with less than \$1 million of actual losses to private institutional investors.

CPC's efforts have helped to improve the quality of life for tens of thousands of residents, while preserving and strengthening dozens of communities. Entire neighborhoods have been stabilized through cost-effective rehabilitation and new construction. Housing has been provided for the elderly and for those with special needs. Moderate- and middle-income cooperatives have been restored and made economically stable.

CPC traces its origins to a 1972 report undertaken for the New York Clearing House Association. The report analyzed the city's problems of housing deterioration and abandonment, and recommended "creation of a permanently staffed entity, with sufficient management skills and financial resources, dedicated to improving specific neighborhoods." The non-profit New York City Community Preservation Corporation, as it was initially called, was incorporated in July of 1974.

The city's leading commercial banks, under the leadership of David Rockefeller, later joined by the major savings banks under the leadership of Alfred Mills, committed to the necessary financial support. The banks provided funding via two Subscription Agreements for capital contributions (\$400,000 total), a Revolving Credit Agreement (\$8 million) and a Collateral Trust Note Purchase Agreement (\$32 million).

Since 1979, CPC has been self-sufficient. Its credit resources have grown steadily over the years as CPC's success attracted more investors, including pension funds and secondary market institutions.

a defining difference

CPC chose to focus its early efforts on the two communities studied in the initial Clearing House report, Washington Heights in Manhattan and Crown Heights in Brooklyn, areas adjacent to the most widespread housing abandonment in New York City. Activities were undertaken in concert with the city's Housing and Development Administration (HDA) which had designated the communities as Neighborhood Preservation Areas. The intent was to coordinate public and private resources to create a "one-stop shop" where local owners could obtain construction and permanent financing, public subsidy and assistance in organizing moderate rehabilitation while tenants remained in occupancy. The goal was to economically and physically preserve the existing housing stock on a scale that could stem abandonment and create a model that could be replicated elsewhere.

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Phase I of the Landmark Street row house project is nearing completion. The \$2.6 million gut rehabilitation of 3 vacant buildings in the City of Newburgh has restored some of the most beautiful homes in the Hudson Valley and revitalized an entire neighborhood. SONYMA provided mortgage insurance

approach is the recent purchase, along with two experienced developers, of the 6,362 unsold condominiums, 438,000 square feet of commercial space and five garages at the sprawling Parkchester complex in the Bronx. It is one of CPC's most significant challenges. The \$200 million plan to upgrade and modernize all 12,271 apartments, without tenant displacement, is crucial to the future of this once model development, the thousands of families who live there and this important section of the borough.

CPC is considering similar investment and turnaround possibilities and plans a \$50 million fund to pursue such opportunities.

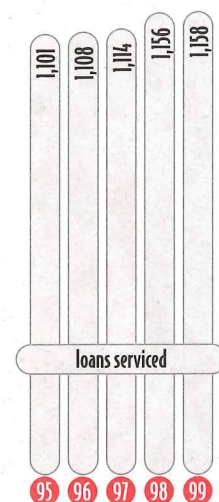
Another far-reaching effort was launched in 1994 in a joint CPC/SONYMA program to restore distressed middle- and moderate-income cooperatives. With CPC financing and SONYMA mortgage insurance, underlying mortgages are purchased at reduced prices, and funding is provided for needed repairs. CPC sponsor banks provide purchaser end loans. The result has been restored viability and stability for approximately 5,000 housing units and new opportunities for affordable home ownership for many families—without any direct public subsidy.

extending cpc's reach

In 1995, CPC formally merged with an upstate New York non-profit mortgage lender, the Community Lending Corporation (CLC) which had been founded in 1991 on the CPC model. CPC became a state-wide organization opening new offices in Albany, Syracuse and Buffalo. In 1998 CPC crossed the Hudson to open its first out-of-state office in New Jersey, where it is seeking to replicate the successful models that restored some of New York's most troubled neighborhoods. To date, four loans have been closed in the state this year.

CPC is also playing an active role in shaping policy to influence the regulatory environment. Two current concerns are to insure that there are sound lead abatement regulations which are compatible with the economic realities of affordable housing. Similarly, there must be an equitable pricing system to prevent water and sewer charges from overwhelming low- and moderate-income housing.

CPC today is strong and sustained by its 90 member banks and insurance companies. CPC has not only expanded, but models based on its success are being replicated in several states and cities across the country. While subsidies are in short supply, this places a premium on solid partnerships with lenders and communities. It calls for creative solutions and replicable programs that make the most of scarce resources. It requires steadfast commitment to fulfill the goals of the communities we serve.



Partnerships for Tomorrow

We are filled with a sense of accomplishment as we celebrate the completion of our twenty-fifth year. From modest beginnings in 1974, we have evolved into a multifaceted development bank whose mission is to sustain and build working communities. Our initial goal was to stem the tide of housing abandonment that was plaguing New York City. With \$40 million of credit facilities from our founding banks, we focused our lending activities in two neighborhoods – Washington Heights in Manhattan and Crown Heights in Brooklyn. These two communities became the proving ground where we developed our skills, both in working with owners in the housing rehabilitation process, and in working with government to create the programmatic and regulatory environment within which private investment could flow to neighborhood redevelopment.

Buoyed by our early success, CPC expanded its activities both geographically and programmatically. We expanded to a New York City-wide operation, moved to suburban neighborhoods, and then expanded to include all of New York State. We crossed the Hudson to open our first New Jersey office at the end of 1998. Our lending programs had to adapt, both to our geographic expansion as well as to changing economic climates, diverse demographics and varying social needs.

CPC's initial focus on preventing abandonment through preserving occupied housing shifted to creating new housing from formerly abandoned properties as New York's economy moved from recession to expansion. As CPC's presence in the marketplace grew, we undertook challenges in several specialized areas of housing. Nothing exemplifies this better than our efforts to restore the financial viability of moderately priced cooperative apartments.

CPC's upstate expansion posed a series of new problems to solve. In the affluent New York City suburbs, creating affordable housing for service workers, seniors and first-time home buyers has been a major focus. In the Hudson Valley towns, the revitalization of downtown areas and the restoration of deteriorated multi-family properties are important priorities. Further upstate, most of the housing problems occurred in small one-to-four family properties located in inner cities. The problem in these communities was not so much the creation of lending programs to fix individual properties, but rather the creation of a lending infrastructure where sufficient numbers of properties can be upgraded so as to make a difference in the community. CPC helps each community it services achieve its affordable housing goals.

At the center of our efforts is an ongoing partnership with government in several arenas: statutory, regulatory, process and programs. On the statutory and regulatory level, CPC sought to create a conducive environment for large scale investment in community development while at the same time keeping a watchful eye on the impact of issues affecting low- and moderate-income communities. Thus, we have been strong advocates for effective tax incentives and credit enhancements to induce





Seated left to right:
John A. Somers,
Philip L. Milstein and
John R. Mohr.

Standing left to right:
Peter D. Noris,
James B. Digney,
Leonard S. Simon,
Michael D. Lappin,
George Engelke,
Mark A. Willis,
Charles J. Hamm,
Pamela P. Flaherty

Right page:
CPC's senior staff
stands in front of
Harlem residence, 2072
Fifth Avenue, a two-
family development,
financed under the
CityHome Program.
They are from left to
right: Dianna Look,
Rick Kumro,
John McCarthy,
Rose Browne,
Eric Graap, Carolyn Au
and Jack Greene.

investments, and have sounded cautionary notes on the impact of changing water and sewer charges. We have also advocated the need to create balanced lead paint remediation standards.

CPC has worked closely with government in the design of a variety of public programs to solve a multitude of housing problems. Our focus is always on finding ways to keep costs low, to make the most efficient use of scarce public funds, and to maximize the use of private funds. New York City's Participation Loan Program best exemplifies such an approach.

Whether rebuilding neighborhoods, or addressing other crucial areas of affordable housing, the process is enormously complex. CPC has sought to work with government to organize this process, thereby reducing costs and increasing participation from smaller scale developers. This is particularly important in the area of neighborhood preservation, where a large number of government programs must meld with private financing in order to rehabilitate affordable housing. This, in turn, must be usable to the generally inexperienced owners in the targeted neighborhoods. The "one-stop shop" approach has been enormously successful in terms of scale and cost - literally thousands of housing units have been rehabilitated at significant savings over comparable governmental efforts.

With 25 years experience in the creative use of financing methods to promote community development, we are poised for significant new initiatives to achieve our mission. Through our subsidiary, CPC Resources, Inc., we plan to raise equity capital

to pursue several development strategies. These include: "rescuing" important properties, such as the planned renovation of the 12,271 apartments at Parkchester; strengthening emerging neighborhoods such as the upcoming rebuilding of Mount Morris Park West in Harlem, and assisting neighborhood institutions such as hospitals and universities by developing housing resources for their employees and students.

CPC is also examining the possibility of creating a broader, more liquid market for community development investments. This might include using our position as one of the largest community development lenders in the country to serve as a pooling agent for smaller investors, and bringing such larger pools to the national credit markets. It might also include assisting other community investors by adapting some of our successful approaches to their communities.

Finally, the workout of HUD subsidized properties and other potential defaulted affordable properties will be an important part of every community development agenda. CPC's efforts in the early 90's to recycle defaulted properties back into the community as affordable renovated properties serves as a model for such restructuring. Our challenge will be to do this on a scale where entire portfolios of properties can be responsibly recycled.

None of our success would have been possible without the ongoing support of our financial sponsors and investors. The pension funds, banks, thrifts and insurance companies have demonstrated their support through their increasing commitments to our credit resources. Most recently, our sponsoring banks, thrifts and insurance companies renewed over \$400 million of credit lines to CPC.

CPC's hardworking staff is the backbone of our success. The long hours they put in and the years of dedication to CPC have made us who we are. Thank you.

Over the past 25 years, CPC's activities have been led by an outstanding number of dedicated individuals serving as our Board on behalf of their institutions. Their hard work and care for the community have been the source of CPC's strength. We thank them all for their support. We also wish to thank several directors who left this year: Jill Considine, Robert Curley, William Frentz, Richard Kraemer, and Carol Parry. Their service on the board has been exemplary and vital to our success.

We wish to extend a special thank you to Jerry McDougal who served as CPC's chair from 1995 to 1997. Your contribution and unwavering commitment to CPC is greatly appreciated and will have an impact on the work we do for many years to come.

John A. Somers

JOHN A. SOMERS
Chairman

Michael D. Lappin

MICHAEL D. LAPPIN
President & CEO



This building, located on East 141st Street in the South Bronx, will be renovated into a two-family home.

Right page: The Bronx staff poses in front of the almost completed middle-income condominiums located on 117th Street and Morningside Drive in Harlem. The 49-unit condominium is the first phase of a two-phase project. Standing in front are Dick Conley, James Millard, Gunnel Rydstrom, Bruce Dale, Ben Carter, Patricia Young and Nancy Gonzalez.

**BRONX
MANHATTAN
OFFICE 74
SINCE 19**

Twenty-five years ago, CPC opened its first offices in Washington Heights and Crown Heights to demonstrate that if funding were made available to rehabilitate older

salvageable housing, the decline of deteriorating neighborhoods could be reversed. The programs proved enormously successful and CPC's activities spread throughout the boroughs eventually resulting in the redevelopment of more than 5,000 housing units in Harlem, 7,000 in the South Bronx and more than 9,000 in Washington Heights and Inwood. Mortgage insurance for many of these projects was supplied by the State of New York Mortgage Agency and the Residential Mortgage Insurance Corporation.

The preservation of deteriorated occupied and vacant housing remains a central part of CPC's efforts. It is also critical for the economic health of New York City where over 60% of all housing is now 60 years old and older.

At the center of the program — that was largely pioneered in Washington Heights — was the creation of a "one-stop shop". This approach provides private financing, public subsidies and expertise in construction through a single source. This was necessary if CPC was to work effectively with local, often inexperienced, owners in upgrading their properties. The success of the program can be gauged by a virtual army of small owners who not only upgraded their properties, but bought nearby properties to renovate as they acquired expertise.

This process spread to other neighborhoods where CPC made loans. CPC works closely with community groups in these neighborhoods since tenant participation is so vital for in-occupancy upgrading. In many of these neighborhoods, traditional lenders have returned and CPC no longer needs to be as active.

The "one-stop" approach was adopted in the city's Vacant Building Program where previously owned city buildings were given to private developers to upgrade. Large sections of Harlem and the South Bronx were restored through this program. One measure of its success was the relatively low redevelopment cost — \$67,000 a unit on average for the over 10,000 units with which CPC was involved — resulting from CPC's ability to create a simplified development program to attract low cost builders.

In addition to low-cost rental housing, our more recent focus has turned to affordable home ownership, which has become an integral part of the redevelopment of Manhattan and the Bronx. We began to look at communities where unsubsidized home ownership was thought to be unworkable. CPC financed the first privately built condominium in Harlem on St. Nicholas Avenue.

Home ownership continues to be an important force in the Harlem community through the CityHome program, a joint effort of CPC, The Enterprise Foundation and HPD to renovate small buildings. This home ownership program has given many moderate-income families the opportunity to own their own Harlem homes.



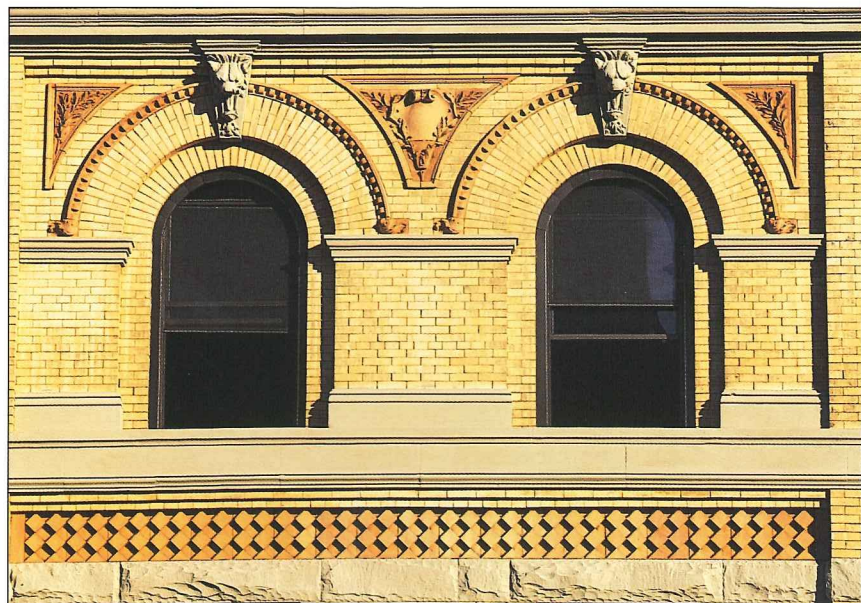
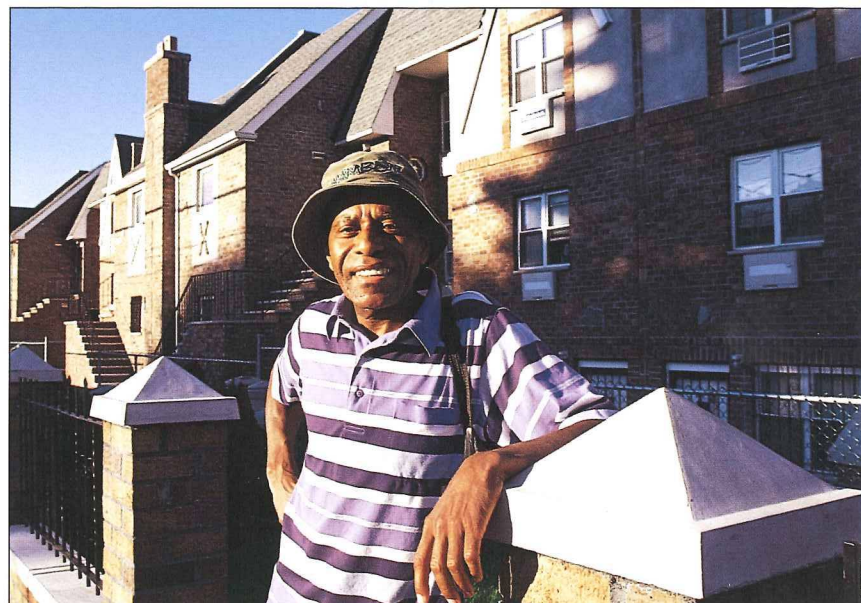
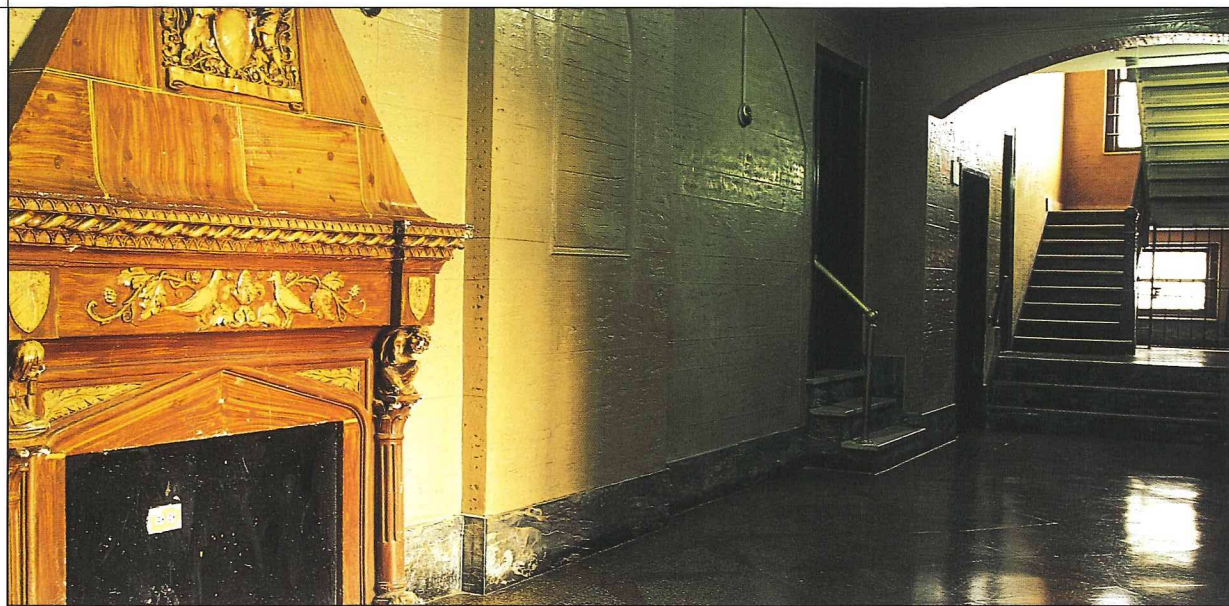
Top: This north Bronx apartment building was rehabilitated in 1996 with an Article 8A loan from HPD. CPC's loan will refinance 3424 Gates Place with a permanent takeout by the Methodist Pension Fund.

Center left: The 117th Street condos are vacant shells before renovation begins.

Center right: A resident of 3356-70 Baychester Avenue takes a moment to smile for the camera.

These recently constructed 3-family split level homes were financed with \$1.3 million from CPC with a Freddie Mac takeout.

Bottom: The beautiful detailing on so many of the apartment buildings in Harlem is evident here at 265 West 123rd Street. This 8-unit, 5 story walk-up building built circa 1900 has been newly renovated with funding from CPC and HPD with credit enhancement by REMIC.



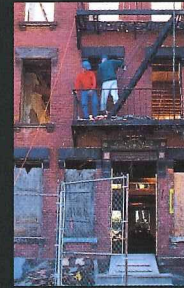
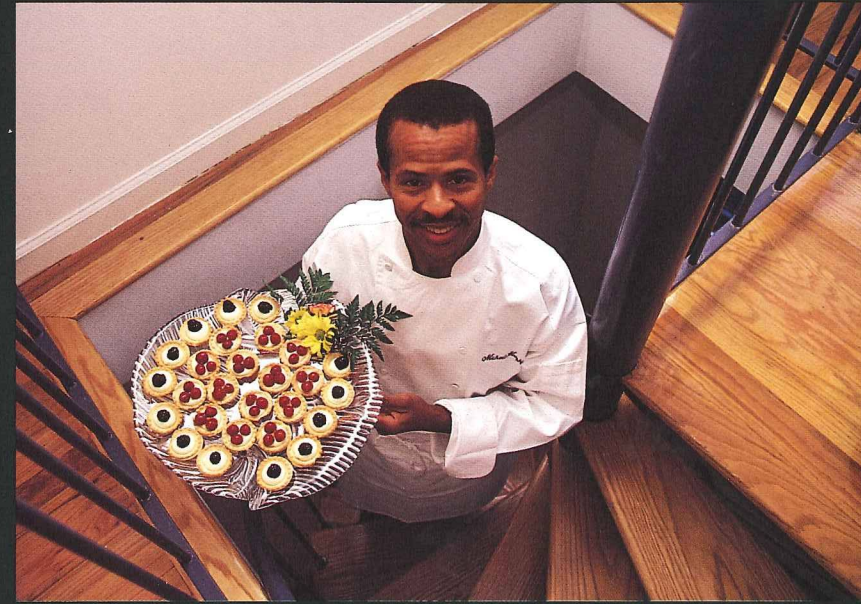
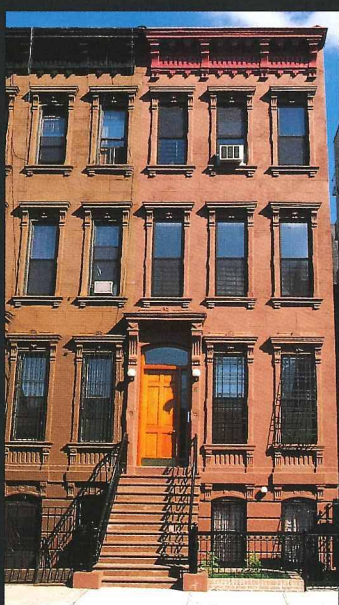
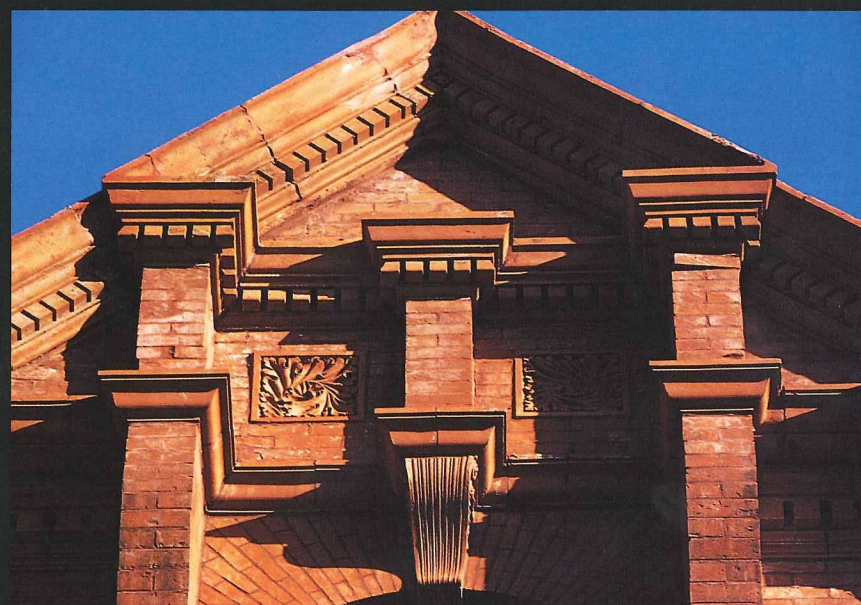
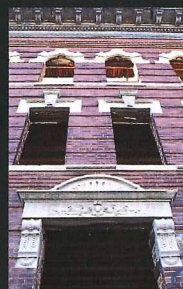
Another example of a home ownership project is a two-phase condominium development on West 117th Street and Morningside Avenue in Harlem. The first phase was closed with a joint construction loan with MetLife for 49 condominium units. The Harlem Community Development Corporation (HCDC) is the community sponsor. This project has subsidies from HPD and New York State's Affordable Housing Program. A second phase will begin construction shortly.

In the Bronx, CPC maintains its commitment to the poorest area of the South Bronx in Community Districts 1, 2 and 3 where we have financed 227 units and committed approximately \$1 million of the Community Development Financial Institutions (CDFI) funds. These funds are half of a \$2 million grant from the U.S. Treasury Department that will be used for no-interest supplemental financing in conjunction with CPC loans. CPC has participated with HPD in its effort to help owners in this community by continuing our participation in its training program for management and financing of problem buildings in conjunction with HPD's anti-abandonment outreach.

CPC has also established a relationship with Fleet Bank to jointly underwrite and service construction loans originated for New York State's Housing Development Corporation's (HDC) New Opportunities Program. Fleet will provide credit enhancement for the HDC bonds during the term of the construction loan. The first of these projects is the new construction of a 91-unit apartment building in Kingsbridge Heights with total financing of \$10 million.

With the decline of subsidies in the 1990's, CPC pursued market-based alternatives to rebuild affordable housing. For example, we were able to finance the purchase of foreclosed properties at discounted rates, and so could afford to upgrade the properties without additional public subsidies.





CityHome is a joint effort of CPC, The Enterprise Foundation and HPD to create moderate-income home ownership opportunities in New York City. By renovating the hundreds of vacant small buildings in HPD's inventory, families in some of the city's most devastated neighborhoods have a chance to buy beautifully restored brownstones and row houses. CPC and HPD are the construction lenders on the project, with CPC serving as the construction loan administrator. Enterprise acts as the owner of the properties, hires the architect and works with a

CityHome

local nonprofit to sell the buildings to predominantly first-time home owners. More than \$112 million in construction loans have been closed since the program's inception in 1994 for the rehabilitation of 383 buildings. Republic, Chase and other banks are providing end loans to purchasers.



This beautiful hallway is an example of the care tenants take of their building. 680-686 Fulton Street in Fort Greene was gut renovated in 1987 and has remained in pristine condition. CPC's loan will refinance the current mortgage and will be sold to Freddie Mac.

Right: Brooklyn's office staff - Patricia Figueroa, Anita Pins, Mary Brennan, Daniel Wheeler, Lisa Rodriguez and Susan Foresta - stands proudly in front of 177 Kingston Avenue in the Crown Heights section of Brooklyn. The condominium was rescued from foreclosure and is now nearing completion assisted by a \$300,000 loan from CPC. The condominiums will sell for \$50,000 to \$83,000.

BROOKLYN QUEENS STATEN ISLAND LONG ISLAND OFFICE SINCE 1974

The Crown Heights office was the second CPC office to open a quarter of a century ago. Today, it serves an area extending from Brooklyn to Queens, Staten Island, lower Manhattan, and Nassau and Suffolk counties on Long Island, with diverse housing from large and

small multi-family buildings, to single-family homes. Fiscal year 1998-1999 was its most successful year with 51 closed loans totaling \$74 million.

Our initial focus in Brooklyn was on large apartment buildings similar to those we had concentrated on in Washington Heights. We learned to work with diverse communities and closed many loans in Crown Heights, along Eastern Parkway and other neighborhoods where we worked with the Russian, West Indian, Hasidic, African American, Hispanic and other communities. CPC has gained the confidence of these communities by meeting the challenge of working with tenants and community leaders to deliver habitable housing without displacing families.

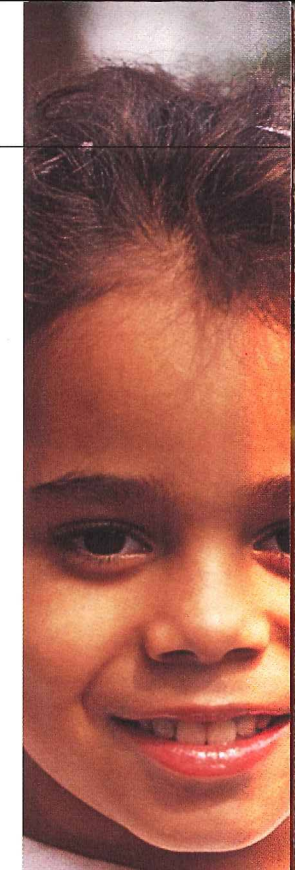
These loans support rental housing and home ownership opportunities as well as stores and businesses in low- to moderate-income neighborhoods. The financing products, which may be subsidized and include participants, are utilized for moderate or gut rehabilitation, new construction, refinancing, and acquisition. The diversity of the housing stock is matched by the variety of loan programs utilized by CPC's staff to make capital available throughout the market area.

The CPC staff works with a large number of inexperienced owners of one or two small multi-family properties averaging 20 units or less, to analyze the most appropriate financing package for their needs, and to identify a variety of public subsidy programs, for those who are eligible. CPC recently introduced the Small Building Loan Program and the Targeted Area Loan Program for smaller buildings.

CPC's Small Building Loan Program — featuring reduced fees, faster processing, simpler forms and extensive technical support — provides rehabilitation financing for owners of buildings that are 20 units or less. By simplifying the process and making funding readily available for the small building owner, we provide even greater assistance to neighborhood housing needs.

To assist the small building owner, CPC staff reviews the scope and cost of the proposed rehabilitation, advises the owners regarding government agency filings required to obtain tax benefits and provides names of experienced local architects and contractors.

CPC's Targeted Area Loan Program, available throughout New York State, is for multi-family rental properties. The loans are used for acquisition and construction, with a maximum loan amount of \$500,000. This program has considerably reduced fees, and cash-outs are available if the ownership is greater than five years.

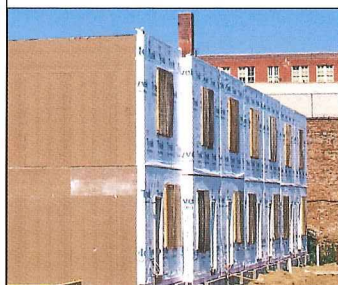
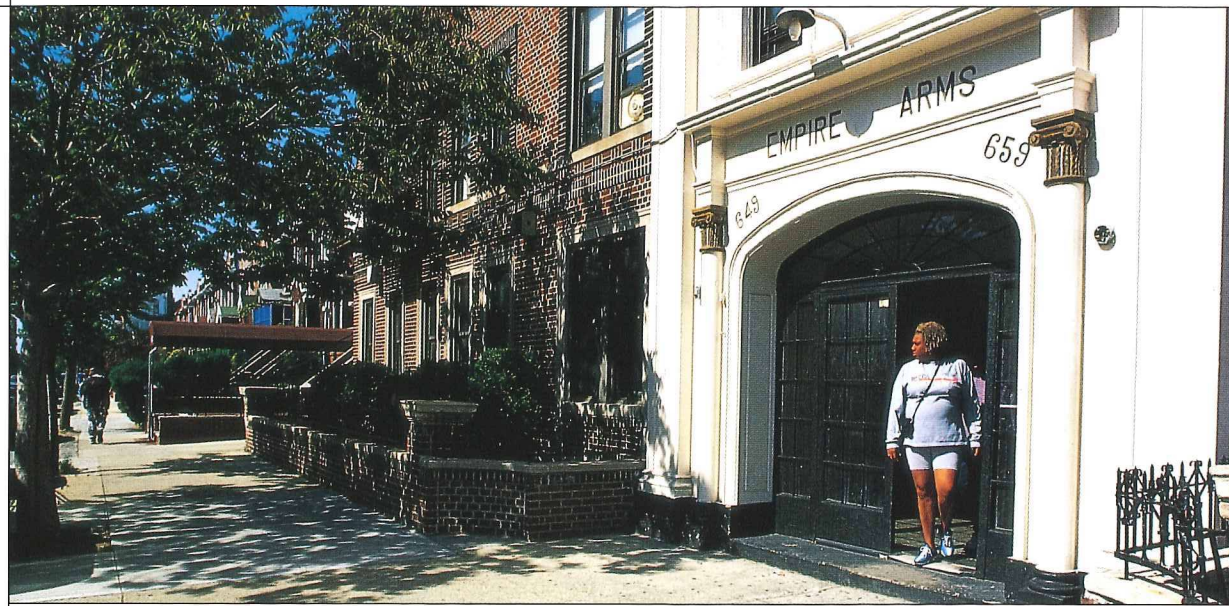


Top: The PLP program is one of the great success stories in the partnership between CPC and HPD. This fully occupied apartment building in Crown Heights, 649 Empire Boulevard, was rehabilitated in 1985 under PLP. The new mortgage will refinance CPC's existing mortgage.

Middle: These three contiguous buildings at 85-89 Butler Street in Boerum Hill are scheduled for a \$1.2 million gut rehabilitation with financing provided by FNMA and CPC.

Bottom left: New homes for Brooklyn residents have brought this East New York neighborhood back to life through the Nehemiah program, a joint effort of East Brooklyn Congregations, CPC and several Brooklyn churches. To date, construction has commenced on 355 homes.

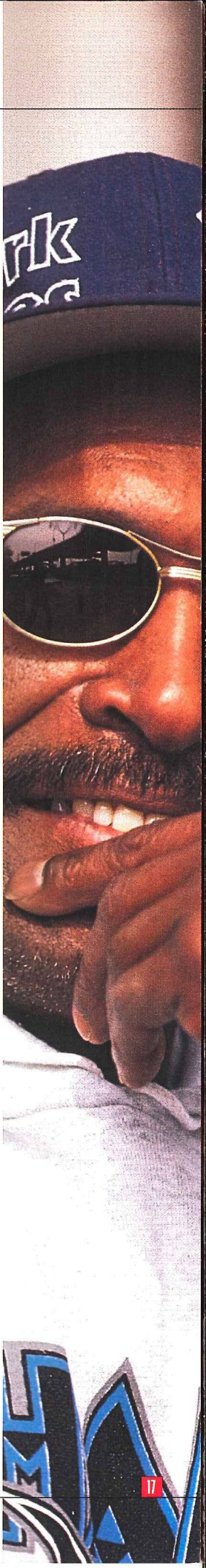
Bottom right: \$3.1 million in construction financing from CPC helped build 6833 Shore Road in Bay Ridge, a 6-story elevator building containing 22 apartments, significant commercial space and ample parking.



Nearly 15 years ago, the leaders of the East Brooklyn Congregations (EBC), a broad-based community organization, and the staff of the Industrial Areas Foundation set out to bring East Brooklyn's devastated and abandoned neighborhoods back to life. Under EBC's Nehemiah program, nearly 2,200 single-family homes in Brownsville and East New York have been built and sold since 1983. CPC is assisting in building EBC's most recent undertaking to bring 645 new homes to the abandoned blocks west of Pennsylvania Avenue in East New York. To date, 355 houses have been built, sold or are under construction. Plans call for approximately another 290 to be completed over the next two years. The financing includes funding from CPC, HPD, Independence Community Bank, Citibank and several churches including the Catholic Diocese of Brooklyn, the Lutheran Church-Missouri Synod, the Episcopal Diocese of Long Island and St. Paul's Church. Below-market mortgage financing is being provided by SONYMA for individual home purchases.

The CityHome program, administered from the Brooklyn CPC office, provides financing for the rehabilitation of small buildings throughout New York City. Prior to the inception of this program, these neglected townhouses and smaller buildings were difficult to renovate. This joint effort of CPC, The Enterprise Foundation and HPD, has created home ownership opportunities throughout New York City by renovating hundreds of small buildings in HPD's inventory.

Much of the focus of the CPC and SONYMA program to restore value to cooperative housing centered on Brooklyn and Queens. Here, many properties converted from rental housing to co-ops, were burdened by too much debt and insufficient cash flows to be properly maintained. As a result, many who purchased individual apartments in these cooperatives saw the value of their homes decline precipitously. This decline was dramatically reversed when CPC and SONYMA stepped in to restructure the debt, provide funds for needed repairs and, with the help of Fannie Mae, Freddie Mac and a number of New York banks, restored the market for end loans.

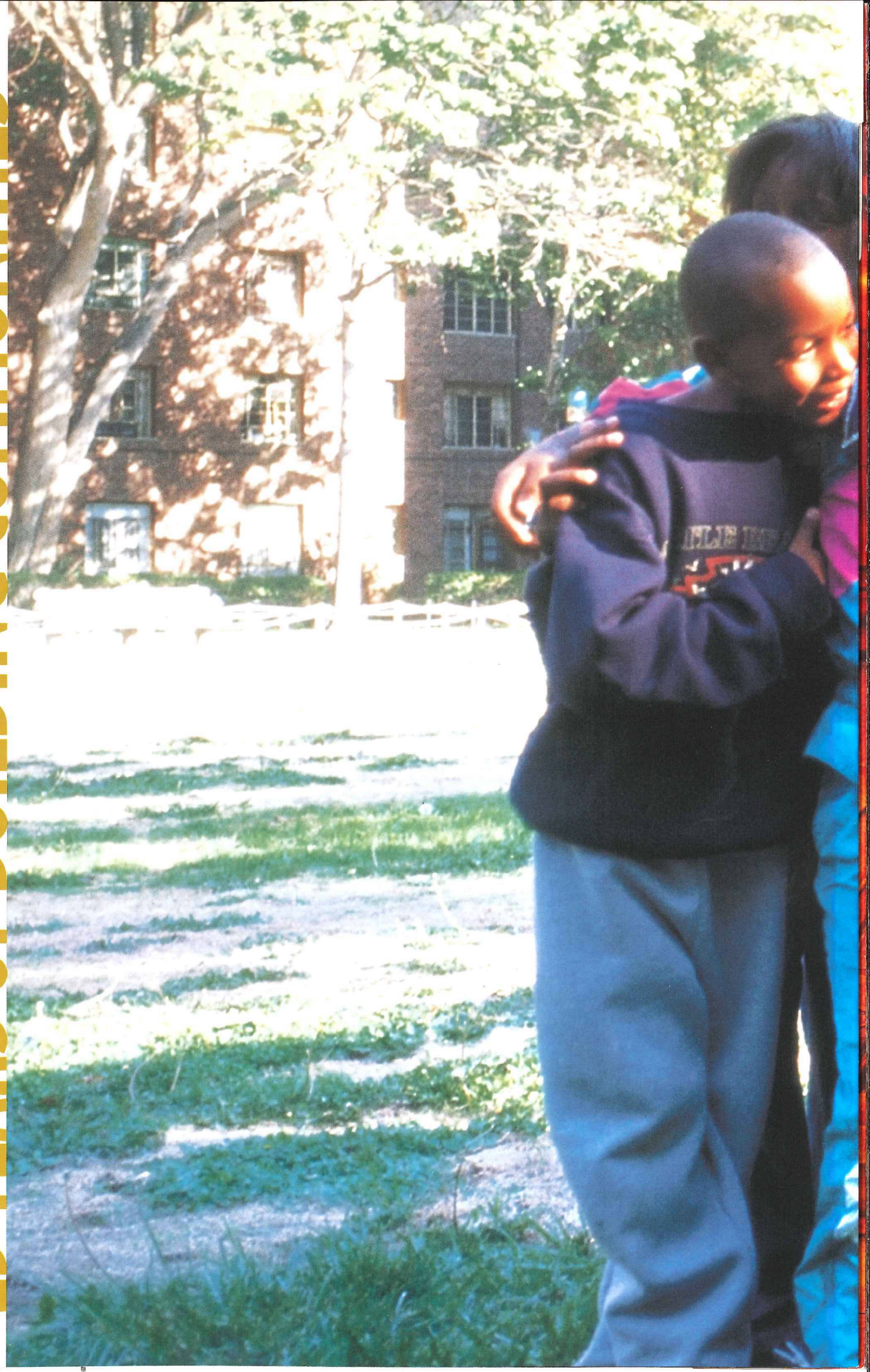


HUDSON VALLEY

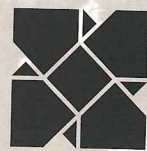
A renaissance is taking place in Newburgh. With CPC financing, major rehabilitation has taken place on Lander Street and South Miller Street.

On nearby Dubois Street, CPC supplied the permanent takeout for construction financing provided by OnBank to gut rehabilitate 11 vacant buildings.

25 YEARS OF BUILDING COMMUNITIES



THE BEGINNING



CPC is formed by the New York Clearing House Association, joined by the Savings Banks Association of New York State, so that private interests and public officials can cooperate to combat the well-documented cycle of housing neglect. Initial support from the participating banks is provided via two subscription agreements for capital contributions (\$400,000), a construction credit agreement (\$8 million) and a long term funding agreement (\$32 million).



CPC closes its first loan 11 months after its founding for \$635,000 to rehabilitate One Arden Street (pictured above) in Washington Heights. The loan is insured by the New York City Rehabilitation Mortgage Insurance Corporation (REMIC).

"Over the last few years many people have said that our cities cannot be saved unless we have decent places for people to live. Many people have said this is a job that must be done primarily by the private sector, and many people have said that there is only so much that government can do."

"Many people have said a lot of things, but the people here today — The Community Preservation Corporation — have done something."

Mayor Edward I. Koch, remarking on the expansion of the CPC program.
June 9, 1978

5 YEARS

CPC expands beyond its original target neighborhoods of Washington Heights and Crown Heights to finance housing in 19 city-designated Neighborhood Preservation Areas.

CPC begins financing projects in conjunction with HPD through the newly created Participation Loan Program (PLP). The program makes possible the renovation of thousands of deteriorated apartments without displacing tenants. In 1982, President Ronald Reagan (right) commends CPC for its work.

CPC assists the State of New York Mortgage Agency (SONYMA) to start a mortgage insurance program similar to REMIC; SONYMA rapidly becomes an insurer of CPC loans.



CPC expands to finance housing throughout all of New York City's non-luxury neighborhoods.



10 YEARS

CPC raises \$100 million as two New York City public pension funds, the New York City Police Pension Fund and the New York City Employees Retirement System, agree to purchase \$100 million of its loans. City officials celebrate the ground-breaking for the first project (above). This is the first investment program of any American public pension fund in the rehabilitation of older multi-family housing. The New York City Teachers Retirement System and the New York State Common Retirement Fund join in 1991 with separate commitments. The Methodist Pension Fund joins in 1998.



CPC forms the Housing Partnership Mortgage Corporation (HPMC) with seven New York based insurance companies (representatives above) to increase home ownership in low-income neighborhoods. HPMC commits \$100 million to purchase triple-A rated securities backed by single-family loans. This is primarily intended to stimulate affordable for-sale housing projects by protecting them from interest rate risk in a rising rate environment.

'74 '75 '76 '77 '78 '79 '80 '81 '82 '83 '84 '85 '86



Right page top:
Hudson Valley staffers
Annemarie Lobban, Doug
Olcott, Sadie McKeown,
Arthur Mitchell, Eileen
Cronin and John Purvis,
stand before 446-462
Main Street. These 4
two-story buildings
were gut rehabilitated
into 10 rental
apartments and four
commercial spaces.
Financing came from
CPC, Dutchess County,
and the City of Beacon.

Right page center:
Tom McGrath stands
at the gateway to
the Waterfront
Redevelopment Business
District where CPC has
financed the Gazette
building in conjunction
with the City of Yonkers.

Right page bottom:
The Mill at Saugerties, a
former book bindery,
stood vacant for
30 years. The Mill will
contain 14 studios and
75 one-bedrooms. The
CPC construction loan is
being made in conjunc-
tion with an allocation
of low income housing
tax credits and will be
repaid with a New York
State Housing Trust Fund
Loan, Empire Funds and
HFA bond financing.

HUDSON VALLEY OFFICE SINCE 1989

Our first expansion outside of New York City was the Hudson Valley where we were confronted with a dramatically different market. We had to design programs that helped both urban areas experiencing

significant decline and small towns losing their main streets, while creating affordable housing in more affluent communities. We rose to the challenge, not only with new programs, but by creating partnerships with local organizations and city, state and federal programs. An essential partner in the Hudson Valley is also the Federal Home Loan Bank with whom we have financed many projects.

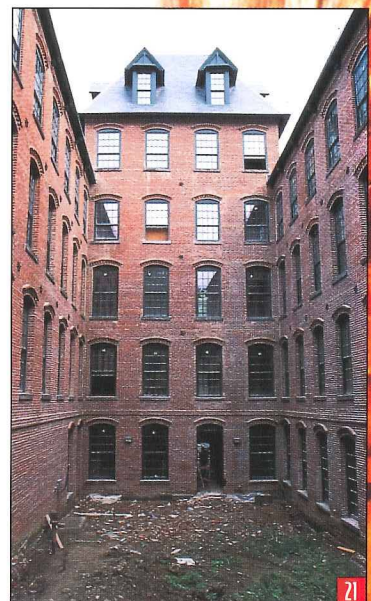
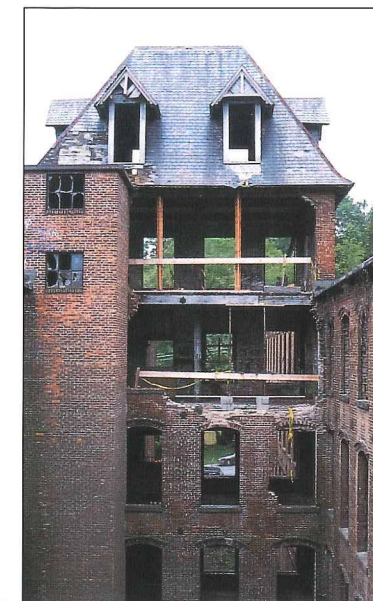
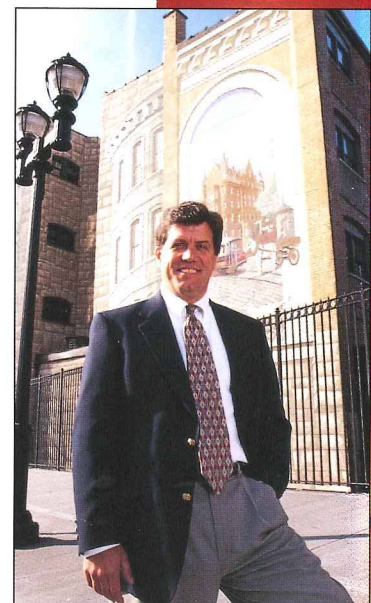
CPC is continuing its ongoing commitment to the renaissance of a number of former industrial towns along the Hudson River. Since its opening in 1989, the Hudson Valley office has significantly expanded its efforts in Yonkers, Beacon, Poughkeepsie and Newburgh.

In the City of Yonkers we have completed 2,300 housing units with a total public/private investment of \$94 million. To further assist the city in moving forward with its redevelopment plans, we have shifted our focus to the restoration of the Downtown Waterfront Business District. Our first project there will be the renovation and addition of new space to the vacant Gazette building at 55 Main Street to create 22,000 square feet of retail and office space. This former newspaper office and printing plant is the first of a number of such projects being reviewed jointly by the city and CPC. The City of Yonkers has secured \$52 million to date in federal, state and local funds to implement the plan.

CPC has also made a major impact on the City of Beacon where we have financed the renovation of most of the vacant buildings in the historic East End. The gut rehabilitation of four vacant buildings recently transformed their two-story shells into ten affordable apartments, a restaurant and three storefronts. Through its public/private partnership with Dutchess County and the city, CPC has completed eight projects comprised of 15 buildings. These formerly vacant properties now house 17 storefronts and 51 apartments transforming a dilapidated neighborhood into a vibrant antique and art district.

With Dutchess County, we have now committed a total of \$850,000 for the first of two projects at the West End of Main Street. These funds will be used to renovate two buildings that will bring this area of Beacon ten apartments and five storefronts.

CPC is a Freddie Mac seller/servicer and we have had a long and successful relationship with our affordable housing partner. During the 1998-99 fiscal year, the Hudson Valley office closed more than \$24 million in Freddie Mac loans in 13 transactions for a total of 607 units.



Half of last year's \$2 million CDFI grant was allocated to Syracuse. The first of the 0% interest supplemental loans from this program was given to 612 Lodi Street in the amount of \$10,000. The CPC portion was \$55,000.

Right page top: CPC is committed to helping small inexperienced developers. Susan White, Dave Michel and Timothy Doyle of the Syracuse office stand in front of a beautifully detailed two-unit property built in 1851. The total loan was \$66,000.

Right page center: The restoration of Webb Block, two historic buildings devastated by fire in 1996, helped to revitalize this city's main street. The \$255,000 permanent loan was provided through CPC's Small Building Loan Program. Construction financing was provided by Oswego City Savings Bank.

Right page bottom: CPC provided permanent financing of \$4.3 million to refinance the existing mortgage for Candlelight Apartments in the Town of Clay, Onondaga County. The 15 year loan (with a 25 year amortization) was sold to Freddie Mac.

CENTRAL REGION OFFICE SINCE 1995

Syracuse and its suburbs have seen considerable upgrading of existing buildings and the rehabilitation of vacant units as the result of continuing CPC activity. The Central Region has closed more loans in the past year than at any time since its opening in 1995.

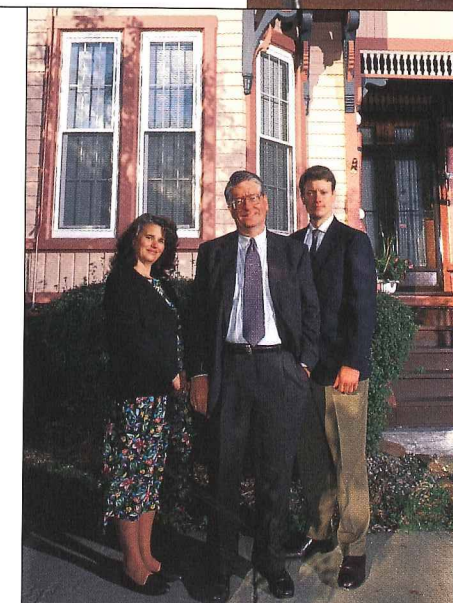
Much of CPC's success in this region can be attributed to the Small Building Loan Program and the development of strong partnerships with the City of Syracuse and its development agencies.

Partnerships have been critical to CPC's success in the Central Region's urban, suburban and rural areas. We have solid partnerships with Home Headquarters, the Syracuse city agency that coordinates home ownership efforts and has expanded to rehabilitating small rental properties; Syracuse Model Neighborhood Corporation, a 25-year-old agency that has developed more than 300 rental units; and Eastside Neighbors in Partnership, which focuses on the East side of Syracuse to rehabilitate housing for low-income families with the agency keeping title to the land.

During this fiscal year, procedures for the Small Building Loan Program were refined with 16 loans under \$250,000 closed. Two initiatives facilitated the Program's ability to provide assistance. The first, which resulted in five loans, was an agreement signed with Home Headquarters in which CPC and Home Headquarters jointly underwrite loans for buildings with six units or less.

The second is a \$1 million grant from the U.S. Treasury Department's Federal Community Development Financial Institutions Fund. This 0% funding is used to supplement CPC loans for affordable rental properties in Syracuse's six Community Development target areas including Brighton, Southwest, Near Westside, Washington Square, Near Northeastside and Near Eastside. Four of these loans have been closed this past year and seven have been approved.

In the future, we expect to accelerate efforts to finance small properties, which is the predominant rental housing stock in this region. The programs we have developed for the City of Syracuse will be utilized in the rest of the region. Plans are also under way to work with various nonprofit development agencies to provide construction financing for acquisition and rehabilitation of vacant houses.



The refinancing of Riverview Manor Apartments, a HUD Section 8 senior project in Northwest Buffalo, with a \$1.5 million loan from CPC along with restructuring of the rents through HUD's Mark-to-Market program allowed the owner to maintain the project for its elderly tenants.

Right page top: Laurie O'Connell and Michelle Andrzejewski of the Buffalo office stand in front of the Lexington Food Cooperative, the commercial tenant of 220 Lexington Avenue. CPC's loan of \$460,000, which will be sold to the Common Retirement Fund, helped stabilize the building under a new owner.

Right page center: The second phase of the renovation of St. Bernard's, affordable senior housing in Rochester, has been completed. The former Roman Catholic seminary contains an onsite geriatric center and adult daycare. Financing came from CPC, HOME, and the Greater Rochester Housing Partnership. Fannie Mae securitized 90% of the permanent loan, and the securities were purchased by our sponsoring insurance companies.

Right page bottom: This 32-unit townhouse is situated on 5.6 acres. CPC's permanent loan of \$400,000 refinanced the construction loan. Insurance is provided by SONYMA.

WESTERN REGION OFFICE SINCE 1994

CPC's Buffalo office opened in 1994 to provide hands-on service in the western part of the state where the industrial economy had suffered serious setbacks. Over the past 20 years, major companies left the area and 150,000 people left the city to find employment elsewhere. During that period the housing stock deteriorated significantly. Both large HUD projects and smaller two-to-four unit multi-family homes were in substantial need of rehabilitation. CPC has been successful in creating hundreds of new units of affordable housing throughout the city and the surrounding area as the economy improves and shifts toward the technology sector.

The University District Home Ownership Program has demonstrated that home ownership in low- and moderate-income communities in Buffalo is viable as well as desirable. CPC with Kensington-Bailey Neighborhood Housing Services is continuing to attain a consistent flow of public and private funds to rehabilitate single- and two-family homes. Most of these homes are HUD houses or bank foreclosures. This year eleven families purchased homes with financing from HSBC and the Federal Home Loan Bank at above the originally appraised value. As these homes are rehabilitated, the improvement in the community is evident with new and existing owners taking pride in their homes and the neighborhood.

We are continuing to finance community service properties. CPC participated in financing the rehabilitation of the YWCA and Monica Place in Rochester, which houses a program for women who are victims of domestic violence. The Western Region office has also committed to permanent financing for the construction of a new center for the Ibero Family Preservation Center, which provides day care for children and the disabled, including a Head Start program.

This office has completed small to very large senior and community service facilities in Buffalo and Rochester. These projects include a HUD Section 8 senior project and St. Bernard's, a former Roman Catholic seminary in Northern Rochester, which has been transformed into affordable housing for seniors. It includes an on-site geriatric center and an adult day care program.



CPC's loan of \$4.5 million financed the acquisition and restoration of these 4 vintage, red brick apartment buildings built in the 1930's and 1955. The renovation of 29, 33 and 56 South Munn Avenue along with 7 Chestnut Street in East Orange includes new windows, a new electrical system and brick work.

Right page top: Residents of Chalet Gardens Apartments in Pine Hill, Camden County prepare for Halloween. CPC's \$10.6 million loan will refinance the property and help to effect a moderate rehabilitation of the 484-unit garden apartment complex.

Both Fleet Bank and Summit Bank participated in this loan.

Right page center: 251 Beacon Avenue in Jersey City is a 17-unit project that has been purchased, and will be moderately rehabilitated with a \$480,000 loan.

Right page bottom: John Van Decker and Justin Peyser stand in front of the South Munn Avenue Apartments.

NEW JERSEY OFFICE SINCE 1998

The New Jersey office celebrated its opening in Jersey City on December 8, 1998. Since then, the office has closed five loans comprising \$17.43

million and 802 units. Loan commitments have been signed on another three loans comprising \$1.9 million and 36 units.

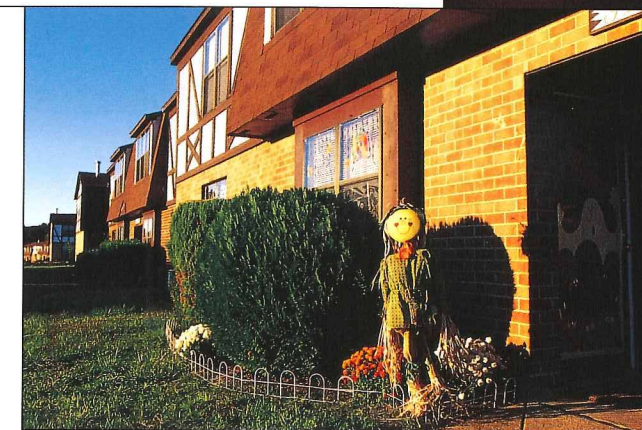
CPC continues to forge a path for its clients and investors through the state's complex web of public support while balancing affordability, community needs and economic return. Part of the mission in New Jersey, CPC's first lending area outside of New York State, is to replicate the predictable and routine public-private financing system that succeeded in rehabilitating some of New York's most distressed neighborhoods.

Home ownership and new construction have been emphasized in New Jersey. Our goal is to expand the availability of affordable housing by promoting the needed production and restoration of rental housing. To do this we are working on establishing access to resources from the federal, state and local governments to increase the availability of credit for renovation and permanent financing.

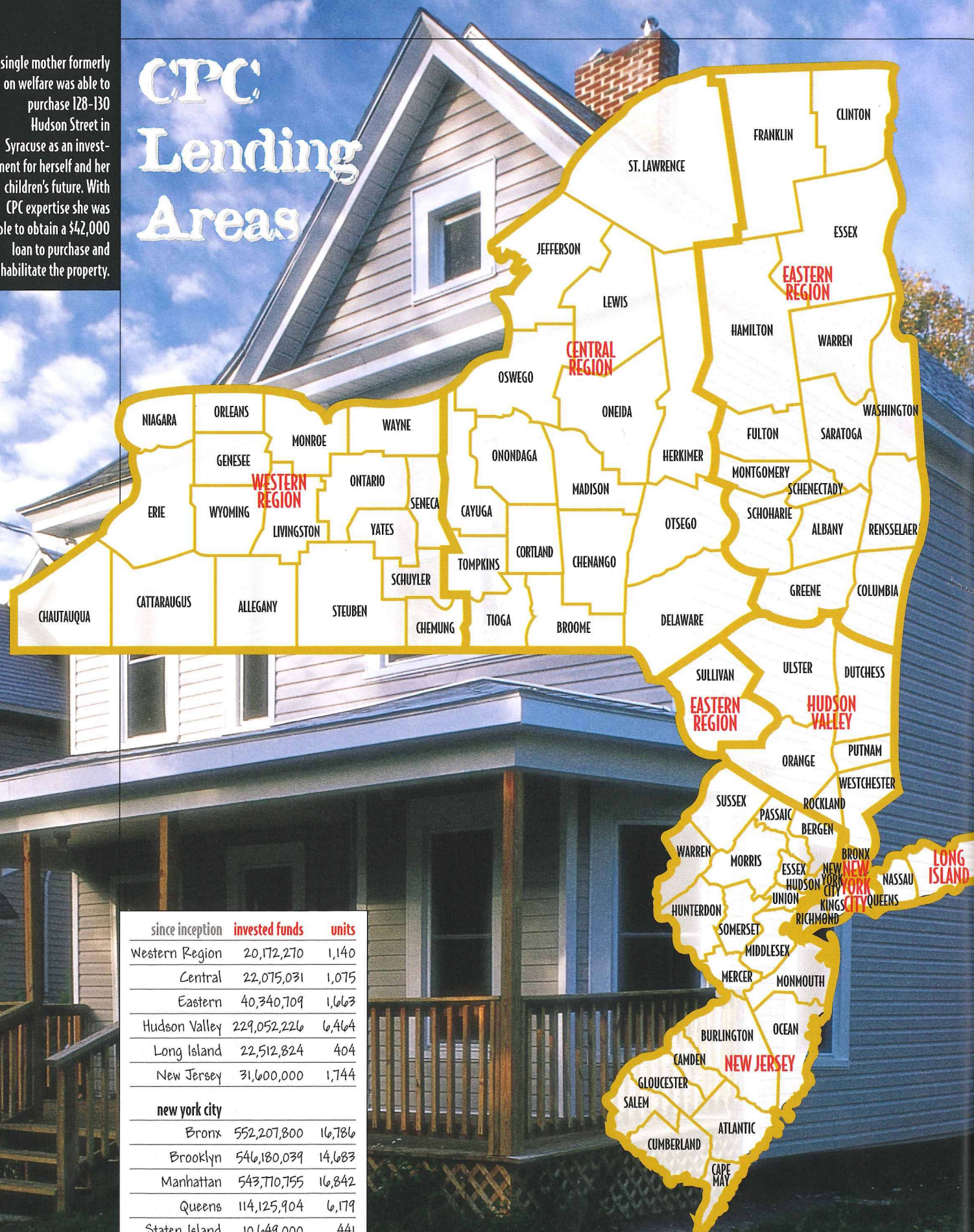
CPC and its community partners are working with government to set up a statewide Participation Loan Program for routine rental rehabilitation. In addition, we are working with the Department of Community Affairs to reform the Balanced Housing Program's "Landlord Project" subsidy which has been underutilized.

Further, CPC supports the creation of two, \$10 million New Jersey-based low income housing tax credit programs modeled on other state programs around the country. This effort is being coordinated by the New Jersey Affordable Housing Network, an association of community development corporations. In order to attract other sources of long-term loan capital, CPC is hoping to establish a statewide mortgage insurance program through the New Jersey Housing and Mortgage Finance Agency. Finally, CPC is continuing its discussions with local government about the incentives required to make affordable housing feasible.

The New Jersey office is targeting small- to mid-sized apartment buildings in low- and moderate-income neighborhoods in Hudson, Essex, Passaic and Union Counties, while continuing to reach out to other areas that will benefit from the restoration of a deteriorating rental housing stock.



CPC Lending Areas



| since inception | invested funds | units |
|-----------------|----------------|--------|
| Western Region | 20,172,270 | 1,140 |
| Central | 22,075,031 | 1,075 |
| Eastern | 40,340,709 | 1,663 |
| Hudson Valley | 229,052,226 | 6,464 |
| Long Island | 22,512,824 | 404 |
| New Jersey | 31,600,000 | 1,744 |
| new york city | | |
| Bronx | 552,207,800 | 16,786 |
| Brooklyn | 546,180,039 | 14,683 |
| Manhattan | 543,710,755 | 16,842 |
| Queens | 114,125,904 | 6,179 |
| Staten Island | 10,649,000 | 441 |

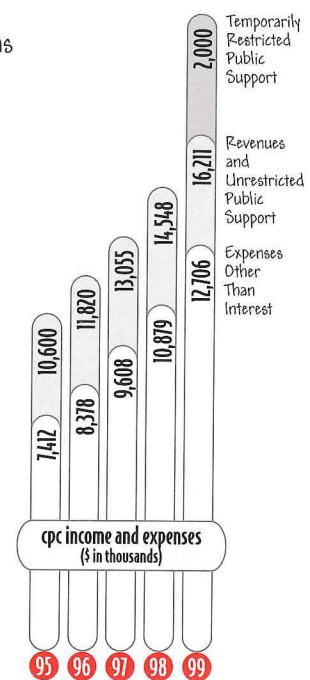
The Community Preservation Corporation ("CPC") completed the fiscal year ended June 30, 1999 with an excess of revenues over expenses of approximately \$5.5 million. Included in this was a \$2.0 million grant from the U.S. Department of the Treasury Community Development Financial Institutions Fund. The grant will be used to provide 0% interest loans among designated low- and moderate-income communities located in the South Bronx and Syracuse. CPC's fund balance, primarily the result of accumulated retained earnings over its 25 year history, now totals approximately \$35.4 million. CPC's financial strength enables the pursuit of the following objectives: 1) it furnishes a reserve against possible losses on construction and permanent loans held in portfolio by CPC. CPC's construction and permanent loan balances were \$103.6 million and \$59.7 million, respectively, at fiscal year-end. 2) It satisfies the various capital requirements 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 capital requirements for seller/servicer status for Fannie Mae and Freddie Mac. 4) It enables CPC to expand its range of services.

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 \$1.5 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 New York City residents and the rising government levies on housing, especially taxes and water/sewer billings; the supply of public subsidies, including entitlement programs for low-income households; and the efficient functioning of government agencies affecting rental housing.

A complete copy of the Corporation's Audited Financial Statement will be furnished upon written request. Written requests should be mailed to:

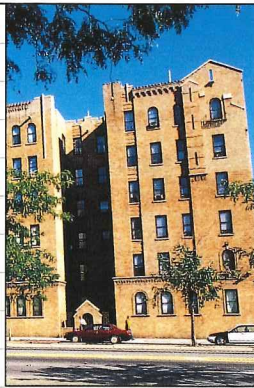
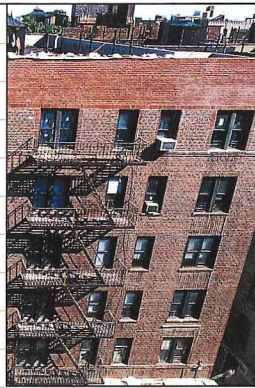
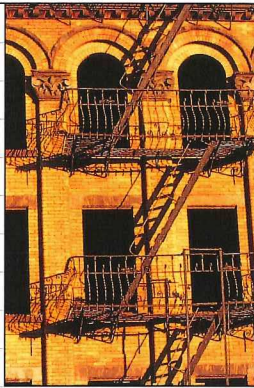
Eric P. Graap
Treasurer and Chief Financial Officer
The Community Preservation Corporation
5 West 37th Street
New York, New York 10018



Left: This is just one of 5 turn-of-the-century brick walk-up apartment buildings that include 2210-14, 2222-24 Frederick Douglass, Jr. Boulevard and 279 West 119th Street. The 51-unit project is located on two blocks and contains 3,916 square feet of commercial space. CPC's and HDC's construction loans totaling \$4.89 million will finance an extensive rehabilitation. HDC will provide the permanent takeout.

Center: The PLP program has been a staple of CPC's loan programs since 1979. This PLP financed building, 2244 Morris Avenue - a fully occupied apartment building in the University Heights section of the Bronx - will receive extensive structural repairs. The 27 year permanent loan of \$2.48 million is insured by REMIC.

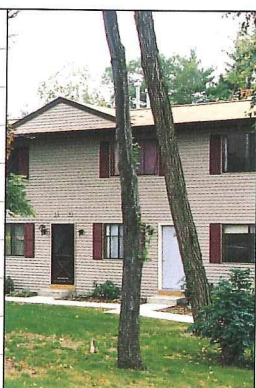
Right: The Grand Concourse in the Bronx is lined with large multi-family buildings. This 6 story elevator apartment building containing 167 units is being refinanced with a \$2.55 million Freddie Mac loan. The property is 2720 Grand Concourse.



the community preservation corporation and subsidiary consolidated balance sheets

As of June 30, 1999 and 1998

| | 99 | 98 |
|---|---------------|----------------|
| ASSETS | | |
| INVESTMENT IN FIRST MORTGAGE, net of deferred commitment fees and allowance for possible investment losses: | | |
| Construction loans | \$103,648,912 | \$132,998,623 |
| Permanent mortgage loans | 59,654,639 | 48,570,398 |
| Permanent mortgage loans - pledged under collateral trust notes | 27,015,218 | 15,586,922 |
| | 190,318,769 | 197,155,943 |
| CASH AND CASH EQUIVALENTS, including restricted funds of \$71,423,015 and \$48,621,172 in 1999 and 1998, respectively | 86,625,289 | 97,347,959 |
| ACCRUED INTEREST RECEIVABLE | 1,420,202 | 1,640,189 |
| OTHER RECEIVABLES | 2,813,785 | 2,934,807 |
| OTHER ASSETS, net | 7,674,520 | 7,852,828 |
| Total assets | \$288,852,565 | \$306,931,726 |
| LIABILITIES AND FUND BALANCE | 99 | 98 |
| Liabilities: | | |
| Notes payable under revolving credit agreement | \$ 82,989,100 | \$ 116,612,500 |
| Nonrecourse credit notes | 3,811,350 | - |
| Collateral trust notes payable | 27,015,218 | 15,586,922 |
| Construction loan participations payable | 11,470,509 | 5,873,965 |
| Accounts payable and accrued expenses | 5,407,876 | 3,738,297 |
| Participants' deposits | 42,407,625 | 31,892,045 |
| Due to noteholders | 7,397,637 | 31,294,213 |
| Escrow, deposits and other liabilities | 72,962,678 | 72,048,149 |
| Total Liabilities | 253,461,993 | 271,046,091 |
| COMMITMENTS AND CONTINGENCIES | 99 | 98 |
| FUND BALANCE | | |
| Temporarily restricted | 2,000,000 | - |
| Unrestricted | 33,390,572 | 29,885,635 |
| Total fund balance | 35,390,572 | \$29,885,635 |
| Total liabilities and fund balance | \$288,852,565 | \$306,931,726 |



the community preservation corporation and subsidiary, consolidated statements of support, revenues and expenses and changes in fund balance

For the years ended June 30, 1999 and 1998

| | 99 | 98 |
|--|--------------|---------------|
| REVENUES AND PUBLIC SUPPORT: | | |
| Interest on first mortgage loans | \$15,897,505 | \$ 18,026,138 |
| Interest on pledged first mortgage loans | 1,791,034 | 828,054 |
| Servicing fee income | 3,907,047 | 3,694,039 |
| Interest on short-term investments | 1,429,050 | 1,312,148 |
| Commitment fees | 759,872 | 354,925 |
| Other revenues | 2,816,645 | 1,263,732 |
| Public support | | |
| Temporarily restricted | 2,000,000 | - |
| Unrestricted | 202,000 | 125,000 |
| Total revenues and public support | 28,803,153 | 25,604,036 |
| EXPENSES: | 99 | 98 |
| Interest expense | 8,582,548 | 10,141,533 |
| Interest expense on collateral trust notes payable | 1,791,034 | 828,054 |
| Interest expense on construction loan participations | 218,969 | 86,190 |
| Employee compensation and benefits | 6,920,360 | 6,485,413 |
| Office expenses | 1,260,447 | 1,190,014 |
| Professional fees | 902,678 | 663,069 |
| Depreciation and amortization | 662,980 | 956,368 |
| Income tax expense | 463,059 | 73,427 |
| Provision for loan losses | 1,065,000 | 96,000 |
| Other expenses | 1,431,141 | 1,414,611 |
| Total expenses | 23,298,216 | 21,934,679 |
| Excess of revenues and public support over expenses | 5,504,937 | 3,669,357 |
| FUND BALANCE, beginning of year | 29,885,635 | 26,216,278 |
| FUND BALANCE, end of year | \$35,390,572 | \$29,885,635 |

Left: A \$685,000 loan helped the owner purchase 85-23 60th Street, 3 well maintained contiguous buildings in the Elmhurst section of Queens.

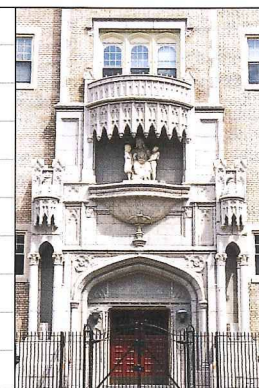
Center: HPD's Small Building Loan Program has been used to finance 683 Jefferson Avenue, a vacant apartment house in Bedford Stuyvesant. CPC is supplying \$220,000 and HPD is supplying \$325,424 for a gut renovation to create 8 new homes. After rehabilitation rents will range from \$450 to \$725.

Right: Establishing relationships with borrowers is key to building affordable housing in our communities. Cranberry Estates is one of several projects financed by CPC for our longtime borrower Bruce Tanski. We have now provided Mr. Tanski with \$13 million of permanent financing which has helped to create 414 new affordable housing units in Southern Saratoga County.

Left: The new construction of 72 apartments for Whitehall Court Senior Apartments means affordable housing for Albany's seniors with monthly rents ranging from \$421 - \$438 for a one-bedroom and \$511 for a two-bedroom. CPC provided \$1.245 million in permanent financing.

Center: A not-for-profit developer has turned a 15.6 acre parcel of vacant land into 30 detached single-family affordable homes. This home ownership project was jointly financed by CPC and the New York State Affordable Housing Corporation.

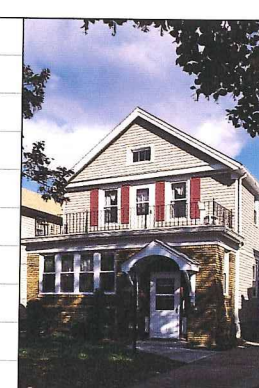
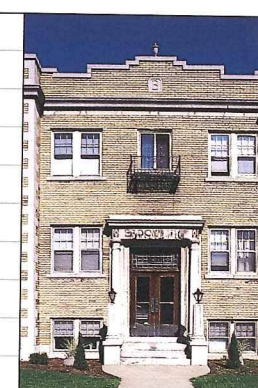
Right: With financing from CPC, the City of Yonkers and the sale of low income housing tax credits, the Most Holy Trinity School in southwest Yonkers has been converted to Trinity Senior Apartments. The school, which was built in 1911, was vacant until conversion to a 45-unit apartment complex for seniors.



the community preservation corporation and subsidiary consolidated statements of cash flows

For the years ended June 30, 1999 and 1998

| | 99 | 98 |
|---|---------------|---------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Excess of revenues and public support over expenses | \$ 5,504,931 | \$ 3,669,351 |
| Adjustments to reconcile excess of revenues and public support over expenses to net cash provided by operating activities - | | |
| Depreciation and amortization | 662,980 | 956,368 |
| Provision for loan losses | 1,065,000 | 96,000 |
| Decrease (increase) in accrued interest receivable | 219,987 | (281,800) |
| Decrease (increase) in other receivables | 121,022 | (411,290) |
| (Increase) in other assets | (1,415,999) | (540,355) |
| Increase in accounts payable and accrued expenses | 1,669,519 | 489,559 |
| Net cash provided by operating activities | 7,827,506 | 3,977,839 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| First mortgages originated | (178,066,833) | (206,128,508) |
| Repayments of first mortgage loans | 63,608,451 | 32,479,921 |
| First mortgage loans sold | 120,230,550 | 162,149,392 |
| Purchase of fixed assets | (231,890) | (448,693) |
| Increase in other assets | 1,163,218 | (3,326,909) |
| Net cash provided by (used in) investing activities | 6,103,502 | (15,274,797) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| (Decrease) increase in notes payable under revolving credit agreement, net | (33,623,400) | 1,448,500 |
| Nonrecourse credit notes issued | 3,811,350 | - |
| Collateral trust notes issued, net | 11,428,296 | 7,784,031 |
| Construction loan participations | 5,596,543 | 5,873,965 |
| Increase (decrease) in participants' deposits | 10,515,580 | (13,828,284) |
| (Decrease) increase in due to noteholders | (23,896,576) | 28,053,590 |
| Increase in escrow, deposits and other liabilities | 914,529 | 5,116,586 |
| Net cash (used in) provided by financing activities | (25,253,678) | 34,448,388 |
| Net (decrease) increase in cash and cash equivalents | (10,722,670) | 23,151,430 |
| CASH AND CASH EQUIVALENTS, beginning of year | 97,347,959 | 74,196,529 |
| CASH AND CASH EQUIVALENTS, end of year | \$86,625,289 | \$97,347,959 |



investment in first mortgage loans and related commitments

| | Construction | Permanent | Total |
|---|--------------|------------|------------|
| Number of loans | 154 | 558 | 712 |
| Funded commitments: | | | |
| Total funded balance, net of repayments | \$198,231 | \$ 751,977 | \$ 950,208 |
| Less - | | | |
| Participants' interests in loans originated prior to July 1, 1997 | 92,306 | 412,989 | 505,295 |
| Mortgage loans sold | - | 215,074 | 215,074 |
| Mortgage loans pledged prior to December 31, 1996 | - | 36,871 | 36,871 |
| Corporation's portion | 105,925 | 87,043 | 192,968 |
| Allowance for possible investment losses | (1,838) | - | (1,838) |
| Net deferred commitment fees | (438) | (373) | (811) |
| Investment in first mortgage loans | \$103,649 | \$ 86,670 | \$ 190,319 |

| | Construction | Permanent | Total |
|---|--------------|-----------|-------------|
| Number of loans | 167 | 580 | 747 |
| Funded commitments: | | | |
| Total funded balance, net of repayments | \$256,913 | \$785,630 | \$1,042,543 |
| Less - | | | |
| Participants' interests in loans originated prior to July 1, 1997 | 122,459 | 396,453 | 518,912 |
| Mortgage loans sold | - | 270,449 | 270,449 |
| Mortgage loans pledged prior to December 31, 1996 | - | 54,400 | 54,400 |
| Corporation's portion | 134,454 | 64,328 | 198,782 |
| Allowance for possible investment losses | (996) | - | (996) |
| Net deferred commitment fees | (459) | (171) | (630) |
| Investment in first mortgage loans | \$132,999 | \$ 64,157 | \$ 197,156 |

Left: Two abandoned buildings, 31-33 South Miller Street in Newburgh, were completely gut and rehabilitated and converted into two-family duplex rental units. CPC, state, federal and local sources have provided over \$1 million in financing for the revitalization of Miller Street that includes this project along with seven other historic one- and two-family homes for first-time home buyers.

Center: The inadequate electricity was upgraded from 15 amps to 70 amps along with other repairs to this 30-unit apartment building in Rochester. The CPC loan will be used for both acquisition and repair.

Right: The partnership that CPC has forged with the Kensington Bailey Neighborhood Housing Program continues to bring affordable homes like 236 Davidson Avenue to Buffalo's residents.

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

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