

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE STATE OF NEW YORK MORTGAGE AGENCY
AND UNITED AUTO WORKERS LOCAL 2110, AFL-CIO**

The following Memorandum of Understanding ("Memorandum") is entered into by the State of New York Mortgage Agency ("Agency") and United Auto Workers Local 2110, AFL-CIO ("Union"), which represents the employees of the Agency, and the Agency and the Union being sometimes hereinafter collectively referred to as the "parties" and individually referred to as a "party."

1. This Memorandum sets forth amendments ("Amendments"), negotiated by the parties in collective negotiations, to the Agency-Union Agreement having an effective date of June 11, 2008 ("Agreement"). It is expressly understood and agreed that this Memorandum is subject to, and conditioned upon, approval, in its entirety, by the Directors of the Agency and the Union.

2. The Agency and the Union agree to enter into a contract incorporating the terms and conditions of the Agreement, as amended by this Memorandum, for the period May 1, 2007 through April 30, 2011.

3. Article 5 ("TERM OF AGREEMENT") of the Agreement shall be modified to read as follows:

"A. The Agency and the Union agree that, except as otherwise provided in this Agreement, all benefits accruing under this Agreement shall be effective as of May 1, 2007. Each benefit of this Agreement shall be for a period commencing on the effective date of such benefit, as provided in this Agreement, and ending on April 30, 2011. In the event a new Agreement has not been signed by April 30, 2011, the terms of this Agreement shall remain in effect until a new Agreement has been signed.

B. Unless specifically stated to the contrary in this Memorandum, the Union and the Agency agree that all Amendments incorporated into the Agreement by this Memorandum shall have an effective date of June 11, 2008 and shall apply prospectively only from that date."

4. Paragraph A. of Article 12 ("SALARY AND PAY PLAN") shall be deleted from the Agreement in its entirety and replaced with a new paragraph A. as follows:

"A. Unless specifically agreed to the contrary by the parties, subject to all limitations contained in this Article, eligible employees shall receive:

(1) Greater of 3.0% or \$1,200 general wage increase in annual base salary effective May 1, 2007, retroactive for base wage only to May 1, 2007, payable within thirty (30) days following approval and ratification of the Memorandum to current employees (employed as of May 1, 2007) who were in the bargaining unit on May 1, 2007, and otherwise meet the requirements of this Agreement. (The retroactive increase in this 12.A(1) does not apply to anything other than base salary, except overtime worked for the period May 1, 2007 to April 30, 2008);

(2) Greater of 3.0% or \$1,200 general wage increase in annual base salary, effective May 1, 2008, retroactive for base wage only to May 1, 2008, payable within thirty (30) days following approval and ratification of the Memorandum to current employees (employed as of May 1, 2008) who were in the bargaining unit on May 1, 2008, and otherwise meet the requirements of this Agreement. (The retroactive increase in this 12.A(2) does not apply to anything other than base salary, except overtime worked for the period May 1, 2008 to the date on which the retroactive increase is paid;

(3) Greater of 3.0% or \$1,200 general wage increase in annual base salary effective May 1, 2009, payable commencing on May 1, 2009, to Agency employees who are in the bargaining unit on May 1, 2009, and otherwise meet the requirements of this Agreement;

(4) Greater of 4.0% or \$1,200 general wage increase in annual base salary effective May 1, 2010, payable commencing on May 1, 2010, to Agency employees who are in the bargaining unit on May 1, 2010, and otherwise meet the requirements of this Agreement;”

5. “Exhibit B” (PAY PLAN) attached to the Agreement, and incorporated by reference therein, shall be deleted in its entirety and replaced with the “Exhibit B” (PAY PLAN dated June 11, 2008) attached hereto as “Attachment 1” and specifically incorporated by reference herein which Attachment 1 shall reflect the minimum and maximum base salary for each salary band of the current PAY PLAN dated on or about April 13, 2005 adjusted by the general wage increase percentages provided for in paragraph 4 hereof.

6. Article 20 (“VACATION LEAVE”) shall be amended to add a new paragraph M. at the end of Article 20 as follows:

“M. Vacation requests (or combined vacation day(s) and personal day(s) requests) of two calendar weeks or more must be submitted at least thirty (30) days prior to the start date of the leave except in extenuating circumstances and such leave shall not be unreasonably denied.”

7. Article 17 (“SICK LEAVE”) shall be amended to delete paragraph E. of Article 17 in its entirety.

8. Article 16 (“HOURS OF WORK”) shall be amended to add a new paragraph H. at the end of Article 16 as follows:

“H. Employees taking partial days off must actually work at least 3.5 hours of the work day in order to be entitled to a paid lunch break.”

9. Article 24 (“LEAVES WITHOUT PAY; LEAVE OF ABSENCE”) paragraph C. (“Child care Leave (without pay)”) shall be amended to add a new subparagraph (3) as follows:

“(3) Notwithstanding anything to the contrary contained in this Article, Child-Care Leave in excess of the employee’s FMLA leave maximum entitlement shall be granted by the Agency only upon demonstration by the employee of the birth of a child, adoption, foster care placement or other appropriate need as determined by the Agency.”

10. Article 24 (“LEAVES WITHOUT PAY; LEAVE OF ABSENCE”) paragraph E. (“Family and Medical Leave (without pay)”) shall be amended to add a new subparagraph (7) as follows:

“(7) Effective May 1, 2008, the Agency shall extend the equivalent of this FMLA leave to Certified Domestic Partners of eligible employees who qualify under the eligibility and other requirements and rules and regulations issued currently and from time to time by the State Department of Civil Service or similar State authority concerning eligibility of domestic partners for health and dental insurance benefits.”

11. Article 24 (“LEAVES WITHOUT PAY; LEAVE OF ABSENCE”) paragraph E.(3) (“Family and Medical Leave (without pay)”) shall be deleted in its entirety and replaced with the following:

“(3) An employee seeking leave due to the serious health condition of the employee, the employee's spouse, domestic partner (as defined in paragraph 7 below), child (including adopted child) or parent should complete a physician's statement a copy of which is available at the Human Resources Department.”

12. A new Article entitled “RETIREMENT” shall be added to the Agreement as follows:

“ARTICLE__ RETIREMENT

“Within 18 months of actual retirement from the Agency, an employee who will become eligible for such retirement shall be entitled to a one-time

non-chargeable day off for the sole purpose of visiting the State Retirement Office.”

13. Article 30 (“OPTICAL/HEARING/PODIATRIC PLAN”) shall be amended to delete the last paragraph of Article 30 and replace it with the following paragraph:

“It is further understood and agreed by the parties that reimbursement by the Agency under this Article is not available for either co-pays or deductibles under the Agency’s health insurance coverage for optical, hearing or podiatric expense.”

14. Article 33 (“OVERTIME MEAL ALLOWANCE”) shall be deleted from the Agreement in its entirety and replaced with a new Article 33 as follows:

“An overtime meal allowance shall be paid to an employee, when, at the request or direction of such employee's supervisor or an Agency executive, such employee has worked:

(1) At least nine (9) hours on a regular workday. Such employee shall receive an overtime meal allowance of \$18.00; or

(2) At least four (4) hours of overtime on a Saturday, Sunday or Holiday. Such employee shall receive an overtime meal allowance of \$18.00. In addition, after at least nine (9) hours, an employee shall receive another such \$18.00 allowance.

An overtime meal allowance shall not be available to employees in Travel Status.”

15. Article 36 (“BUSINESS TRAVEL & EXPENSE REIMBURSEMENT”) shall be amended to delete paragraph E. (“Meals and Lodging”) in its entirety and replace it with the following language:

“E. Meals and Lodging. The Agency agrees to reimburse employees for the cost of reasonable and necessary lodging, meal and transportation expenses actually incurred while in Travel Status (as hereinafter defined) for official business purposes.

(1) Travel Status. Travel status entitling an employee to reimbursement for meals or personal phone calls (“Travel Status”) shall be defined as Agency approved travel outside of the City (New York City consists of all five boroughs). Travel Status commences upon departure on the trip from either the employee's home or office, as the case may be, and concludes upon return to either the employee's home or office. An employee is in Travel Status throughout the interim period except that Travel Status shall not include

any period of time during which the employee detours from the Agency's business.

(2) Employees who are in Travel Status are allowed a maximum of \$55.00 per day for meals. Maximum reimbursement will be allowed only with respect to any days when the employee is in Travel Status before 8:00 a.m. and after 7:00 p.m. ("Full Day" travel).

(3) For any Travel Status periods that are not included within a Full Day (partial day periods) the maximum allowance per meal shall be as follows:

| | |
|------------|--|
| Breakfast: | Up to \$10.00 if the employee is in travel status before 8:00 a.m. |
| Lunch: | Up to \$15.00 if the employee is in travel status from 11:00 a.m. to 2:00 p.m. |
| Dinner: | Up to \$30.00 if the employee is in travel status after 7:00 p.m. |

(4) Actual lodging costs for employees in Travel Status will be paid on the submission of receipted bills by employees.

(5) Personal Telephone Calls. Employees in overnight Travel Status shall be entitled to reimbursement for personal phone calls up to a maximum of \$13.00 per night."

16. The Agency and the Union agree to execute the side-letter attached hereto as "Attachment 2" and specifically incorporated by reference herein.

17. Article 39 III.K.(1) shall be amended to delete the following language: "who for the term of this agreement shall be Al Viani, Martin Ellenberg and Robert Douglas." Article 39. III. shall be amended to add a new paragraph R. as follows:

"R. Hearing officers and disciplinary arbitrators for proceedings held pursuant to this Article 39 for the term of this Agreement shall be Robert Douglas, Deborah Gaines and Jay Nadlebach who shall serve on a rotating basis."

18. Article 39 III. shall be amended to replace the words "Band IV" with the words "Band V" wherever said words appear.

19. Article 46 ("IDENTIFICATION/ACCESS CARDS") shall be amended to add the following sentence at the end of Article 46:

"Effective June 11, 2008, employees may be entitled to the replacement, at no cost to the employee, of a second lost or destroyed employee identification access card during the employee's employment with the Agency if the loss is due to extenuating circumstances."

20. Article 51 ("PAYDAYS") shall be amended to add a new paragraph C. as follows:

"C. Effective June 11, 2008, there shall be no early release of paychecks."

21. Article 43 ("EDUCATIONAL ASSISTANCE PROGRAM") shall be deleted from the Agreement in its entirety and replaced with a new Article 43 attached hereto as "Attachment 3" and specifically incorporated by reference herein.

22. The Union agrees to cooperate in the issuance of an updated Employee Handbook by the Agency.

23. The Agency and the Union agree to forthwith take all necessary actions to withdraw or cause to be withdrawn with prejudice, upon the approval of this Memorandum by the Agency's Directors and ratification by the Union, all pending grievances, improper practice charges, court actions, arbitrations or actions or proceedings of any nature pending as of the date of this Memorandum, including without limitation, the following actions or proceedings:

None

24. Upon the approval by the Agency's Directors of this Memorandum and ratification by the Union, the Agency agrees to forthwith take all necessary steps to process the payroll and pay the wage increases provided for in this Memorandum, including all retroactive payments due to employees hereunder, as soon as reasonably possible.

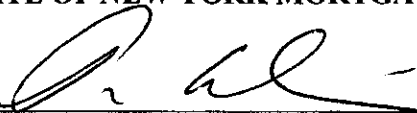
25. The Agency and the Union agree that the written terms of this Memorandum constitute the complete and entire agreement between the parties with respect to the collective negotiations resulting in this Memorandum, and both the Agency and the Union, respectively, hereby confirm and acknowledge the withdrawal of all other demands, proposals, modifications and matters not specifically addressed in this Memorandum.

26. Except as modified by the terms of this Memorandum, all terms and conditions of the Agreement shall remain in full force and effect for the period May 1, 2007 through April 30, 2011.


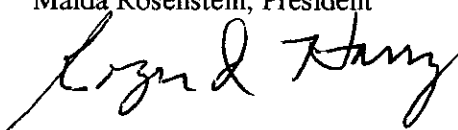
27. IT IS AGREED BY AND BETWEEN THE PARTIES THAT ANY PROVISION OF THIS MEMORANDUM OF UNDERSTANDING OR THE AGREEMENT REQUIRING LEGISLATIVE ACTION TO PERMIT ITS IMPLEMENTATION BY AMENDMENT OR LAW OR BY PROVIDING THE ADDITIONAL FUNDS THEREFORE SHALL NOT BECOME EFFECTIVE UNTIL THE APPROPRIATE LEGISLATIVE BODY HAS GIVEN APPROVAL.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be signed by their respective representatives on June 11, 2008.

STATE OF NEW YORK MORTGAGE AGENCY

By: 
Priscilla Almodovar, President/CEO

UNITED AUTO WORKERS LOCAL 2110, AFL-CIO

By: 
Maida Rosenstein, President


UNITED AUTO WORKERS, REGION 9A, AFL-CIO

By: _____
Robert Mador, Director, UAW Region 9A, AFL-CIO



State of New York Mortgage Agency

641 Lexington Avenue, New York, NY 10022
(212) 688-4000 • Fax: (212) 872-0789

PRISCILLA ALMODOVAR
President/CEO

ATTACHMENT 2

SIDE LETTER

June 11, 2008

Ms. Maida Rosenstein, President
UAW Local 2110, AFL-CIO
113 University Place 5th Floor
New York, NY 10003

**Re: SONYMA - Local 2110, UAW,
AFL-CIO Collective Negotiations**

Dear Ms. Rosenstein:

This letter shall confirm our mutual understanding and agreement concerning the following:

The Union agrees that it shall not challenge or commence any legal action including, without limitation, commencement of an improper practice charge, challenging, contesting or otherwise objecting to the adoption and/or implementation by the Agencies of the attached uniform "Code of Conduct" ("Code") which is applicable to all employees covered by the Agreement and replaces and supersedes the existing codes of conduct set forth in the HFA and SONYMA employee handbooks.

The Agencies agree that nothing contained in this side letter shall preclude or otherwise limit the right of the Union to contest specific provisions of the implemented Code alleged to have been violated by an employee in a disciplinary proceeding held pursuant to Article 39 ('RESIGNATION & DISCIPLINE') of the Agreement.

STATE OF NEW YORK MORTGAGE AGENCY

By: 

Priscilla Almodovar, President/CEO

Agreed To As Stated Above:

UNITED AUTO WORKERS LOCAL 2110, AFL-CIO

By: 

Maida Rosenstein, President


UNITED AUTO WORKERS, REGION 9A, AFL-CIO

By: _____
Robert Mador, Director, UAW Region 9A, AFL-CIO

The following "Employee Code of Conduct" is intended to govern the conduct of all officers, non-unionized employees, interns and temporary employees of the Agency at all times while engaged in the Agency's business whether or not such business is being conducted in an Agency workplace. Unionized employees are subject to existing policies, practices and procedures governing employee conduct, including, but not limited to, those set forth in the Agency's employee handbook and the following "Employee Code of Conduct" to the extent that it is not inconsistent with those practices, policies and procedures.

Employee Code of Conduct

It is the responsibility of each employee to maintain a professional work environment at all times when present at any of the Agency's facilities or otherwise engaged in the conduct of the Agency's business. Employees are expected to consistently exercise the highest level of professionalism and to exhibit the highest ethical standards. All employees are expected, at a minimum, to consistently perform at a satisfactory level in their position.

Employees are required to treat all other employees with dignity and respect and always to conduct themselves in a courteous and professional manner at all times. Employees are never to harass or verbally abuse other employees or those with whom the Agency does business including, without limitation, vendors, service representatives and the general public. Employees are required to adhere to all policies adopted by the Agency and carry out the reasonable directives of their supervisors.

In recognition of the fact that time and attendance is a fundamental underpinning of any professional organization, it is the policy of the Agency that all employees, including the Chief Executive and Senior Management, adhere to the "NYS Department of Civil Service Rules of Attendance and Leave, the State "Time and Attendance Supervisor/Certifier's Guide" and the Agency's own time and attendance procedures. It is required that all employees timely submit properly executed true and accurate timesheets that fully account for all absences or time away from work during the normal workday and that all such time, including lateness, is properly charged to appropriate leave accruals in accordance with established Agency policies, rules, regulations and procedures governing the use of leave accruals.

The Agency maintains a professional work environment. Employees must dress in a manner appropriate for the conduct of the Agency's business. Outlandish or overly casual attire is prohibited. Smoking is prohibited in all enclosed areas of the Agency. Personal use of communication and information systems must be minimized.

Employees are prohibited from taping work-related conversations, whether such conversations are by telephone, in person or by any medium without the written permission of the Agency's Counsel.

Sexual harassment and/or other illegal discriminatory acts including, but not limited to, creating or contributing to a hostile work environment are expressly prohibited. All employees have the right to a work environment free from illegal intimidation and harassment. The Agency prohibits any form of illegal physical, verbal or visual harassment. Employees who are found to have sexually harassed others; conducted themselves in a sexually improper manner; engaged in any form of illegal discrimination; or otherwise violated the Agency's policies and procedures prohibiting sexual harassment and other forms of illegal discrimination in the workplace will be subject to strict discipline, up to and including discharge from employment.

Certain other types of conduct may result in disciplinary action against the employee up to and including termination from employment. This type of conduct includes, but is not limited to, the following:

1. Insubordination defined as refusing to follow the reasonable direction of the supervisor, defiance of or disrespect for the authority of a supervisor or other representative of management, or refusal or failure to follow Agency rules, procedures or regulations;
2. Poor or unsatisfactory work performance including, but not limited to, lack of productivity or poor quality work;
3. Fighting, instigating a fight, threatening violence, disruptive behavior, harassment or verbally abusing co-workers, supervisors, managers or those with whom the Agency does business;
4. Use of or possession of illegal drugs, alcohol or other controlled substances on Agency property or being under the influence of same at work;
5. Possession of firearms or other weapons on Agency property;
6. Abuse or misuse of Agency property or equipment including, but not limited to, the Agency's information or communication systems;
7. Theft or attempted theft of Agency property, information (proprietary or otherwise) or time or the property of another employee or removing or attempting to remove Agency property or information from the premises without proper authorization;
8. Falsification of pre-employment documents or any other misleading information on documents or records including but not limited to timesheets;
9. Providing false information in an official Agency investigation or inquiry or willfully failing to cooperate with such investigation;

10. Any actions that cause or contribute to an unsafe condition or health hazard or any lack of due and proper care that may affect the employee, fellow employees or others;
11. Violations of any laws, rules, regulations, rulings or alike governing the conduct of public employees and/or public officers;
12. Non-compliance with all conflict-of-interest and ethics laws, rules, regulations, rulings or alike applicable to Agency employees including, but not limited to, the appearance of impropriety;
13. Any illegal or unethical behavior, whether in the course of the employee's employment or not, that creates potential liability to the Agency by continuing to employ the employee or which projects an unfavorable image of the Agency to the public;
14. Unauthorized use of the Agency's names, stationeries and/or logos for any purpose outside its normal course of business;
15. Unauthorized use of an employee's Agency title, position or stationery for the purpose of or in furtherance of personal business or beliefs.
16. Conviction of a crime that creates potential liability to the Agency if the Agency continues to employ the convicted employee or which projects an unfavorable image of the Agency to the public;
17. Unauthorized dissemination of information in violation of Agency policy and procedures including, without limitation, those pertaining to outside contacts;
18. Unauthorized absence from work;
19. Excessive absenteeism;
20. Excessive tardiness.

ATTACHMENT 3

ARTICLE 43 – EDUCATIONAL ASSISTANCE PROGRAM

A. In order to encourage Agency employees to broaden their educational background through participation in both job-related and general educational areas, the Agency shall continue to provide a tuition reimbursement program.

B. The Agency will reimburse employees for the following educational expenses (maximum of two semesters per year).

Job Related Course. Effective June 11, 2008, up to \$1,875 per semester inclusive of books and other course materials and fees or \$3750 per calendar year. Effective June 11, 2008, academic courses that are requirements for a matriculating course of study that result in a recognized degree will be deemed job related for purposes of reimbursement maximum.

Non Job Related Course. Up to \$500 per semester inclusive of books and other course materials and fees or \$1,000 per calendar year. In order to be entitled to reimbursement for a non job related course, the non job related course must be related to the primary functions of the Agency or be academic in nature. *Academic in nature* is not intended to include courses which are not part of a degree program; do not involve book study or classroom study or instructions (e.g. defensive driving); or courses which are, in large part, recreational in nature or are for entertainment or the like, such as golf, swimming, piano, or if it is not part of a degree program, the study of a foreign language.

C. To qualify for tuition reimbursement, the employee must:

(1) Submit a completed tuition reimbursement form approved by the department head to the Human Resources Department for pre-approval by the Director of Human Resources and the Chief Operating Officer for the course before the employee registers;

(2) Pass the course with a grade of A,B,C or pass;

(3) Have a receipt for the amount paid;

(4) Have taken the course at an accredited school or one licensed by the State of New York; and

(5) Have worked for the Agency for at least six months prior to the beginning of the class.

D. Procedures. The following procedures shall apply to all requests by employees for reimbursement under this Article:

(1) Prior To The Course. - The employee's supervisor must review and approve the Tuition Payment Request Form with the employee's work responsibilities in mind. A

tuition payment request form is submitted by the employee to the department head in duplicate along with the documentation of course description and tuition costs. Both copies must then be approved by the department head and finally by the President/CEO or his/her designee. One copy of the approved form is returned to the employee, and the other is retained in the personnel file until completion of course work.

(2) Upon Course Completion. - The employee shall submit the Tuition Payment Request Form, together with copies of final grades, to the President/CEO or his/her designee.

E. Coordination of Benefits. If the employee is eligible for scholarships, fellowships, governmental (GI Bill) or other financial assistance, he/she must take full advantage of such assistance. Agency benefits will coordinate with that portion of educational costs that are not covered by other aid.

F. Limitations. The following limitations shall apply to all requests by employees for reimbursement under this Article:

(1) Courses begun prior to employment by Agency will not be reimbursed.

(2) Courses not completed or completed with a grade below "C" or its equivalent will not be reimbursed.

(3) Reimbursement for courses not completed at the time of separation from the Agency or courses not completed because of the demands of the Agency's business will be judged by the Agency on the individual merits of the case.

(4) There will be no reimbursement for transportation or meals.

G. Agency Directed Education. If the Agency directs an employee to take a course to enhance the skills needed for his/her present position, the Agency will pay all necessary expenses directly, as they are incurred. The requirement of six months employment does not apply to Agency Directed Education.