

NEW YORK COMMUNITY BANCORP INC
Form DEF 14A
April 29, 2008

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the registrant

Filed by a party other than the registrant

Check the appropriate box:

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| <input type="checkbox"/> Preliminary proxy statement | <input type="checkbox"/> Confidential, for Use of the Commission Only (as permitted by Rule 14-a6(e)(2)) |
| <input checked="" type="checkbox"/> Definitive proxy statement | |
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New York Community Bancorp, Inc.

(Name of Registrant as specified in its Charter)

Payment of filing fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rule 14a-6(i)(4), and 0-11.
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 - (1) Amount previously paid:

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 - (3) Filing party:

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April 29, 2008

Fellow Shareholders:

You are cordially invited to attend the Annual Meeting of Shareholders of New York Community Bancorp, Inc., the holding company for New York Community Bank and New York Commercial Bank. The Annual Meeting will be held on June 11, 2008 at 10:00 a.m., Eastern Time, at the Sheraton LaGuardia East Hotel, 135-20 39th Avenue, Flushing, New York.

The attached Notice and Proxy Statement describe the formal business to be transacted at the Annual Meeting. Directors and officers of New York Community Bancorp, Inc., as well as representatives of KPMG LLP, the Company's independent registered public accounting firm, will be present to respond to any questions you may have.

On April 29, 2008, under new rules established by the Securities and Exchange Commission, we sent the majority of those shareholders who are eligible to vote at the Annual Meeting a notice that explains how to access their proxy materials, including our 2007 Annual Report, online, rather than in traditional printed form. The notice also explains the simple steps our eligible shareholders can follow in order to vote their shares online. If you are among the shareholders who received the notice explaining this process and would prefer to receive your proxy materials in the traditional hard copy format, the notice also explains how to arrange to have the printed materials sent to you in the mail. If you are among those who received their proxy materials in printed form, rather than the notice, please note that you may still access these materials and vote your shares online, by going to the following website: www.proxyvote.com.

To submit your vote, please sign, date, and return the enclosed proxy card promptly, or vote on-line or by telephone as instructed on the proxy card. As the holders of a majority of the Common Stock entitled to vote must be represented, either in person or by proxy, to constitute a quorum at the meeting, we would appreciate your timely response.

To be admitted to the Annual Meeting of Shareholders, a shareholder must present both an admission ticket and photo identification.

On behalf of the Board of Directors, officers, and employees of New York Community Bancorp, we thank you for your continued interest and support.

Sincerely,

Joseph R. Ficalora
Chairman, President and Chief Executive Officer

NEW YORK COMMUNITY BANCORP, INC.

615 Merrick Avenue

Westbury, New York 11590

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Be Held on June 11, 2008

The Annual Meeting of Shareholders (the Annual Meeting) of New York Community Bancorp, Inc. will be held on June 11, 2008 at 10:00 a.m., Eastern Time, at the Sheraton LaGuardia East Hotel, 135-20 39th Avenue, Flushing, New York.

The purpose of the Annual Meeting is to consider and vote upon the following matters:

1. The election of five directors to three-year terms;
2. The ratification of the appointment of KPMG LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2008;
3. Such other matters as may properly come before the meeting or any adjournments thereof, including whether or not to adjourn the meeting.

The Board of Directors has established April 16, 2008, as the record date for the determination of shareholders entitled to receive notice of, and to vote at, the Annual Meeting and at any adjournments thereof. Only shareholders of record as of the close of business on that date will be entitled to vote at the Annual Meeting or at any adjournments thereof. In the event that there are not sufficient shares present to constitute a quorum, or votes to approve or ratify any of the foregoing proposals at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit further solicitation of proxies by the Company. A list of shareholders entitled to vote at the Annual Meeting will be available for inspection at New York Community Bancorp, Inc., 615 Merrick Avenue, Westbury, New York 11590, for a period of ten days prior to the Annual Meeting and will also be available for inspection at the meeting itself.

By Order of the Board of Directors,

R. Patrick Quinn
*Executive Vice President,
Chief Corporate Governance Officer,*

and Corporate Secretary

Westbury, New York

April 29, 2008

NEW YORK COMMUNITY BANCORP, INC.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

JUNE 11, 2008

Solicitation and Voting of Proxies

This proxy statement is being furnished to shareholders of New York Community Bancorp, Inc. (the Company) in connection with the solicitation by the Board of Directors (the Board of Directors or Board) of proxies to be used at the Annual Meeting of Shareholders (the Annual Meeting), to be held on June 11, 2008, and at any adjournments thereof. This proxy statement is being mailed to shareholders on or about April 29, 2008. The 2007 Annual Report on Form 10-K, including consolidated financial statements for the fiscal year ended December 31, 2007, accompanies this proxy statement.

This year the Company is taking advantage of new Securities and Exchange Commission (SEC) rules that allow companies to furnish proxy materials to shareholders via the Internet. Accordingly, the Company is sending a Notice of Internet Availability of Proxy Materials (the Notice) to its shareholders of record and beneficial owners, unless they have directed the Company to provide the materials in a different manner. The Notice provides instructions on how to access and review all of the important information contained in the Company's Proxy Statement and Annual Report to Shareholders, as well as how to submit a vote over the Internet. If a shareholder receives the Notice and would still like to receive a printed copy of the Company's proxy materials, instructions for requesting these materials are included in the Notice. The Company plans to mail the Notice to shareholders by April 29, 2008. The Company will continue to mail a printed copy of this Proxy Statement and form of proxy to certain shareholders and it expects that mailing to begin on or about April 29, 2008.

It is important that holders of at least a majority of the shares eligible to be voted be represented in person or by proxy at the Annual Meeting. Regardless of the number of shares of Company common stock (the Common Stock) owned, shareholders are requested to vote by completing, signing, and dating the enclosed proxy card and returning it in the enclosed postage-paid envelope. Shareholders are urged to indicate their votes in the spaces provided on the proxy card. **Proxies solicited by the Board of Directors of the Company will be voted in accordance with the directions given therein. Where no instructions are indicated, signed and dated proxy cards will be voted FOR the election of the nominees for director named in this proxy statement and FOR the ratification of the appointment of KPMG LLP as the independent registered public accounting firm of the Company.**

Alternatively, shareholders of record may vote their shares of Common Stock over the Internet, or by calling a specially designated telephone number. The Internet and telephone voting procedures are designed to authenticate shareholders' identities, and to allow shareholders to provide their voting instructions and confirm that said instructions have been properly recorded. Specific instructions for shareholders of record who wish to vote their proxies over the Internet or by telephone are set forth on the enclosed proxy card.

Please be aware that if you vote over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible. The Internet and telephone voting facilities for eligible shareholders of record will close at 11:59 p.m., Eastern Time, on June 10, 2008.

Other than the matters listed on the attached Notice of Annual Meeting of Shareholders, the Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. **However, execution of a proxy or voting online or by telephone confers on the designated proxy holders**

discretionary authority to vote the shares represented by the proxy in accordance with their best judgment on such other business, if any, that may properly come before the Annual Meeting or any adjournments thereof, including whether or not to adjourn the meeting.

A proxy may be revoked at any time prior to its exercise by filing a written notice of revocation with the Corporate Secretary of the Company, by delivering to the Company a duly executed proxy bearing a later date, by voting online or by telephone on a later date, or by attending the Annual Meeting and voting in person.

The cost of the solicitation of proxies on behalf of management will be borne by the Company. In addition to the solicitation of proxies by mail, Mellon Investor Services LLC, a proxy solicitation firm, will assist the Company in soliciting proxies for the Annual Meeting and will be paid a fee of \$8,500 plus out-of-pocket expenses. Proxies also may be solicited, personally or by telephone, by directors, officers, and other employees of the Company and its subsidiaries, New York Community Bank (the Community Bank) and New York Commercial Bank (the Commercial Bank) (collectively, the Banks), without receipt of additional compensation. The Company also will request that persons, firms, and corporations holding shares in their names, or in the names of their nominees that are beneficially owned by others, send proxy materials to, and obtain proxies from, such beneficial owners. The Company will reimburse such holders for their reasonable expenses in doing so. If your Company shares are held in street name, your broker, bank, or other nominee will provide you with instructions that must be followed in order to have your shares voted. Your broker or bank may allow you to deliver your voting instructions via the Internet or by telephone. Please see the instruction form that was provided by your broker or bank with this proxy statement. If you wish to change your voting instructions after you have returned your voting instruction form, you will need to contact your broker or bank. **If you wish to vote your shares of Common Stock in person at the Annual Meeting, you will need to get a written proxy in your name from the broker, bank, or other nominee who holds your shares.**

Voting Securities

The securities that may be voted at the Annual Meeting consist of shares of Common Stock, with each share entitling its owner to one vote on all matters to be voted on at the Annual Meeting, except as described below. There is no cumulative voting for the election of directors.

The close of business on April 16, 2008 has been fixed by the Board of Directors as the record date (the Record Date) for the determination of shareholders of record entitled to receive notice of, and to vote at, the Annual Meeting and at any adjournments thereof. The total number of shares of Common Stock outstanding on the Record Date was 323,812,639.

As provided in the Company's Certificate of Incorporation, holders of Common Stock who beneficially own in excess of 10% of the outstanding shares of Common Stock (the Limit) are not entitled to any vote with respect to the shares held in excess of the Limit. A person or entity is deemed to beneficially own shares owned by an affiliate of, as well as by, persons acting in concert with such person or entity. The Company's Certificate of Incorporation authorizes the Board of Directors (i) to make all determinations necessary to implement and apply the Limit, including determining whether persons or entities are acting in concert, and (ii) to demand that any person who is reasonably believed to beneficially own stock in excess of the Limit supply information to the Company to enable the Board of Directors to implement and apply the Limit.

The presence, in person or by proxy, of the holders of record of at least a majority of the total number of shares of Common Stock entitled to vote (after subtracting any shares in excess of the Limit pursuant to the Company's Certificate of Incorporation) is necessary to constitute a quorum at the Annual Meeting. In the event that there are not sufficient shares present for a quorum, or votes to approve or ratify any proposal at the time of the Annual Meeting, the Annual Meeting may be adjourned in order to permit the further solicitation of proxies.

As to the election of directors, the proxy card being provided by the Board of Directors enables a shareholder to vote for the election of the nominees proposed by the Board of Directors or to withhold authority

to vote for one or more of the nominees being proposed. Under Delaware Law and the Company's Bylaws, directors are elected by a plurality of votes cast, without regard to either (i) broker non-votes or (ii) proxies as to which authority to vote for one or more of the nominees being proposed is withheld.

As to the matter being proposed for shareholder action set forth in Proposal 2 regarding the ratification of the selection of the independent registered public accounting firm, the proxy card being provided by the Board of Directors enables a shareholder to check the appropriate box on the proxy card to (i) vote FOR the proposal, (ii) vote AGAINST the proposal, or (iii) ABSTAIN from voting on the proposal.

An affirmative vote of the holders of a majority of the shares of Common Stock cast at the Annual Meeting at which a quorum is present, in person or by proxy, is required to constitute shareholder ratification of Proposal 2. In connection with such proposal, shares as to which the ABSTAIN box has been selected on the proxy card and shares underlying broker non-votes or in excess of the Limit will not be counted as votes cast and will have no effect on the vote on the matter presented.

Proxies solicited hereby will be tabulated by inspectors of election designated by the Board of Directors. The inspectors of election will not be employed by, or be directors of, the Company or any of its affiliates.

Security Ownership of Certain Beneficial Owners

The following table sets forth information as to those persons known by management to be beneficial owners of more than 5% of the outstanding shares of Common Stock on April 16, 2008. Other than those persons listed below, the Company is not aware of any person or group that beneficially owned more than 5% of the Common Stock as of April 16, 2008.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
FMR Corp. 82 Devonshire Street Boston, MA 02109	19,797,556 ⁽¹⁾	6.11%

(1) Based on information filed in a Schedule 13G with the SEC on February 14, 2008, and includes shares held that may be deemed to be beneficially owned by each of FMR LLC and Edward C. Johnson, III.

PROPOSALS TO BE VOTED ON AT THE MEETING

PROPOSAL 1.

ELECTION OF DIRECTORS

All persons standing for election as director were unanimously nominated by the Nominating and Corporate Governance Committee of the Board of Directors. No person being nominated as a director is being proposed for election pursuant to any agreement or understanding between any such person and the Company.

The Board of Directors currently consists of fifteen (15) members. All directors presently serve as directors of the Company, the Community Bank, and the Commercial Bank. Directors are elected for staggered terms of three years each, with the term of office of one of the three classes of directors expiring each year. Directors serve until their successors are elected and qualified.

The nominees proposed for election at this year's Annual Meeting are Dominick Ciampa, William C. Frederick, M.D., Max L. Kupferberg, Spiros J. Voutsinas, and Robert Wann.

In the event that any such nominee is unable to serve or declines to serve for any reason, it is intended that the proxies will be voted for the election of such other person as may be designated by the present Nominating and Corporate Governance Committee of the Board of Directors. The Board of Directors has no reason to believe that any of the persons named will be unable or unwilling to serve. **Unless authority to vote for the nominee is withheld, it is intended that the shares represented by the enclosed proxy card, if executed, dated, and returned, will be voted FOR the election of the nominees proposed by the Board of Directors.**

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE ELECTION OF THE NOMINEES NAMED IN THIS PROXY STATEMENT.

Information with Respect to the Nominees, Continuing Directors, and Executive Officers

The following table sets forth, as of April 16, 2008, the names of the nominees, continuing directors and executive officers, their ages, and a brief description of their business experience over the past five years, including present occupations and employment, directorships held by each, and, as applicable, the year in which each became a director and the year in which their terms (or in the case of the nominees, their proposed terms) as director of the Company expire. The table also sets forth the amount and percentage of Common Stock beneficially owned by each director and executive officer and by all directors and executive officers as a group as of April 16, 2008.

Name and Principal**Occupation at Present****and for the Past Five Years
Nominees for Directors**

	Age	Director Since ⁽¹⁾	Shares of Common Stock Beneficially Owned ⁽²⁾	Percent of Class
(terms to expire in 2011):				
<i>Dominick Ciampa</i> Principal, Ciampa Organization, a local real estate development firm.	74	1995	1,010,826 ^(3,4)	0.31%
<i>William C. Frederick, M.D.</i> Retired Surgeon, St. Vincent's Hospital; Director of Richmond County Financial Corp. from February 18, 1998 to July 31, 2001 and of Richmond County Savings Bank from February 14, 1980 to July 31, 2001.	80	2001	525,726 ^(3,4)	0.16%
<i>Max L. Kupferberg</i> Chairman of the Board of Directors of Kepco, Inc., a manufacturer of electrical equipment.	88	1983	4,288,771 ^(3,4)	1.32%
<i>Spiros J. Voutsinas</i> President and Chief Executive Officer, Atlantic Bank division of the Commercial Bank; Retired President of Omega Capital, Inc., a real estate development and syndication firm and former general partner of Omega Partners LP, a money management firm specializing in bank stocks; Director of Roslyn Bancorp, Inc. and The Roslyn Savings Bank from February 1999 to October 31, 2003; Director of Roosevelt Savings Bank from 1992 to February 1999, and director of T R Financial Corp. from 1993 to February 1999; Director of Interbank of New York from 1987 to February 1992; Director of Apple Bank from 1981 to 1987.	74	2003	155,577 ⁽⁶⁾	0.05%
<i>Robert Wann</i> Appointed to the Board of the Company and the Banks effective as of January 1, 2008. Senior Executive Vice President and Chief Operating Officer of the Company and the Community Bank since October 31, 2003, and Senior Executive Vice President of the Commercial Bank since December 30, 2005; Executive Vice President and Chief Financial Officer of the Company and the Community Bank from January 1, 2001 to October 31, 2003; Senior Vice President and Chief Financial Officer of the Company from 1993 to December 2000; Senior Vice President, Comptroller, and Chief Financial Officer of the Community Bank from 1993 to December 2000.	53	2008	2,561,753 ^(4,5,6)	0.78%
Directors whose terms expire in 2009:				
<i>Maureen E. Clancy</i> A licensed insurance broker since 1959. Secretary-Treasurer of Clancy & Clancy Brokerage Ltd., an insurance agency; Director of Roslyn Bancorp, Inc. and The Roslyn Savings Bank from February 1999 to October 31, 2003; Director of T R Financial Corp. and Roosevelt Savings Bank from 1993 to February 1999.	76	2003	136,118 ^(3,4)	0.04%
<i>Robert S. Farrell</i> President, H. S. Farrell, Inc., a building supply company; Director of Richmond County Financial Corp. from February 18, 1998 to July 31, 2001 and of Richmond County Savings Bank from September 13, 1973 to July 31, 2001.	82	2001	444,569 ^(3,4)	0.14%

Name and Principal**Occupation at Present****and for the Past Five Years**

	Age	Director Since ⁽¹⁾	Shares of Common Stock Beneficially Owned ⁽²⁾	Percent of Class
<i>Joseph R. Ficalora</i> Chairman of the Board since January 1, 2007; President, Chief Executive Officer, and Director of the Company since July 23, 1993 and of the Commercial Bank since December 30, 2005; President of the Community Bank since January 1, 2004 and from January 1, 1994 to July 31, 2001; and Chairman of the Company from July 20, 1993 to July 31, 2001 and of the Community Bank from May 20, 1997 to July 31, 2001.	61	1989	5,833,333 ^(3,4,5,6)	1.78%
<i>James J. O Donovan</i> Senior Lending Consultant to the Company and the Community Bank since February 1, 2005; Senior Executive Vice President and Chief Lending Officer of the Company and the Community Bank from October 31, 2003 to January 31, 2005; Executive Vice President and Chief Lending Officer of the Company and the Community Bank from January 1, 2001 to October 31, 2003; Senior Vice President of the Company from 1993 to January 1, 2001.	65	2003	2,515,594 ^(3,4,5)	0.77%
<i>Hanif W. Dahya</i> Appointed to the Board of the Company and the Banks effective as of March 2, 2007. Chief Executive Officer of The Y Company LLC from December 2006. Chief Executive Officer of Customers First Call Centers from June 2003 to January 2006. Financial Consultant from January 2001 to June 2003.	52	2007	30,000 ^(3,6)	0.01%
Directors whose terms expire in 2010:				
<i>Donald M. Blake</i> President and Chief Executive Officer of Joseph J. Blake & Assoc., Inc., a national real estate appraisal company.	84	1968	422,266 ^(3,4)	0.13%
<i>Michael J. Levine</i> President, Norse Realty Group, Inc. and Affiliates, and a certified public accountant with the firm Levine & Schmutter; Director of the Company and the Community Bank from November 30, 2000 through July 31, 2001; member of the Queens County Savings Bank Divisional Board of the Community Bank from July 31, 2001 to December 31, 2003.	63	2004	340,693 ⁽⁴⁾	0.10%
<i>The Honorable Guy V. Molinari</i> Member of the Community Bank's Richmond County Savings Bank Divisional Board from January 1, 2002 to December 31, 2003; Richmond County Borough President from 1989 through 2001; United States Congressman from 1981 to 1989; New York State Assemblyman from 1975 through 1980; Chairman of the Federal Home Loan Bank of New York from 1990 to 1994.	79	2004	34,277 ^(4,6)	0.01%
<i>John A. Pileski</i> Retired Partner, Financial Services Practice, KPMG LLP.	68	2003	206,289 ⁽⁴⁾	0.06%

Name and Principal**Occupation at Present****and for the Past Five Years***John M. Tsimbinos*

Age

70

Director
Since ⁽¹⁾

2003

Shares of Common
Stock Beneficially
Owned ⁽²⁾2,532,785 ^(3,4)Percent
of Class

0.78%

Chairman of the Board of Roslyn Bancorp, Inc. from February 1999 to October 31, 2003; Vice Chairman of the Board of The Roslyn Savings Bank from February 1999 to July 2002; Chairman and Chief Executive Officer of Roosevelt Savings Bank from 1992 to February 1999; Chairman of the Board and Chief Executive Officer of T R Financial Corp. from 1993 to February 1999.

Executive Officers Who Are Not Directors:*Thomas R. Cangemi*

39

1,304,793 ^(3,4,5,6)

0.40%

Senior Executive Vice President and Chief Financial Officer of the Company and the Community Bank since April 5, 2005, and Senior Executive Vice President and Chief Financial Officer of the Commercial Bank from December 30, 2005; Senior Executive Vice President, Capital Markets Group of the Company and the Community Bank from October 31, 2003 to April 5, 2005; Executive Vice President, Capital Markets Group of the Company and the Community Bank from July 31, 2001 to October 31, 2003; Executive Vice President and Chief Financial Officer of Richmond County Financial Corp. and Richmond County Savings Bank from October 1997 to July 2001.

James J. Carpenter

46

223,148 ^(3,4,5,6)

0.07%

Senior Executive Vice President and Chief Lending Officer of the Company and the Community Bank since January 1, 2006, and Senior Executive Vice President of the Commercial Bank from December 30, 2005; Executive Vice President and Chief Lending Officer of the Community Bank from February 1, 2005 to December 31, 2005; Executive Vice President and Assistant Chief Lending Officer of the Community Bank from January 1, 2003 to February 1, 2005; Senior Vice President, Mortgage Lending Officer of the Community Bank from November 30, 2000 to January 1, 2003; Senior Vice President responsible for Multi-Family and Commercial Real Estate Lending for Haven Bancorp, Inc. and CFS Bank prior to November 30, 2000.

John J. Pinto

37

256,833 ^(4,5,6)

0.08%

Executive Vice President and Chief Accounting Officer of the Company since April 5, 2005; Executive Vice President of the Community Bank from January 1, 2006, and Executive Vice President of the Commercial Bank from December 30, 2005; Executive Vice President and Chief Accounting Officer of the Company and the Community Bank from April 5, 2005 to December 31, 2005; First Senior Vice President and Assistant Director of Capital Markets of the Community Bank from November 1, 2003 to April 5, 2005; Senior Vice President and Assistant Director of Capital Markets of the Community Bank from July 31, 2001 to October 31, 2003; Senior Vice President & General Auditor of Richmond County Financial Corp. and Richmond County Savings Bank prior to July 31, 2001.

Name and Principal**Occupation at Present****and for the Past Five Years**

All directors and executive officers as a group

(18 persons)

Age	Director Since ⁽¹⁾	Shares of Common Stock Beneficially Owned ⁽²⁾	Percent of Class
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22,823,351

6.67%

(1) Includes years of service as a trustee or director of the Community Bank.

(2) Each person effectively exercises sole (or shares with spouse or other immediate family member) voting or dispositive power as to shares reported herein (except as noted). Figures include all of the shares held directly and indirectly by directors and the Company's executive officers, as well as the shares underlying options that have been granted to, and are currently exercisable or exercisable within 60 days by, such directors and executive officers under the Company's various stock-based and other benefit plans.

(3) Includes the following shares owned by spouses of the named nominees, continuing directors, and executive officers or held in individual retirement accounts, trusts accounts, custodian accounts, or foundation accounts for which the directors and the executive officers are deemed beneficial owners: Mr. Ciampa 601,343; Dr. Frederick 12,240; Mr. Kupferberg 3,119,854; Ms. Clancy 22,581; Mr. Farrell 54,247; Mr. Ficalora 220,579; Mr. O Donovan 5,318; Mr. Dahya 15,000; Mr. Blake 84,560; Mr. Tsimbinos 703,945; Mr. Cangemi 60,335; and Mr. Carpenter 16,166. Mr. Kupferberg's holdings indicated above also include shares held through a partnership and a limited liability company.

(4) Includes the following shares underlying options granted under the Company's stock-based and other benefit plans, all of which are currently exercisable or exercisable within 60 days: Mr. Ciampa 216,000; Dr. Frederick 437,333; Mr. Kupferberg 261,333; Mr. Wann 1,351,289; Ms. Clancy 33,389; Mr. Farrell 45,333; Mr. Ficalora 2,080,288; Mr. O Donovan 1,351,289; Mr. Blake 15,111; Mr. Levine 153,333; Mr. Molinari 11,852; Mr. Pileski 153,333; Mr. Tsimbinos 33,389; Mr. Cangemi 426,668; Mr. Carpenter 108,297; and Mr. Pinto 131,854.

(5) Includes the following shares allocated under the NYCB ESOP: Mr. Wann 256,934; Mr. Ficalora 318,580; Mr. O Donovan 259,738; Mr. Cangemi 29,360; Mr. Carpenter 33,756; and Mr. Pinto 25,283; as well as shares acquired in Messrs. Ficalora's, Cangemi's, and Pinto's ESOP accounts pursuant to dividend reinvestment. Also includes 137,502; 551,044; and 163,154 shares allocated under the Community Bank's Supplemental Benefits Plan to the accounts of Messrs. Wann, Ficalora, and O Donovan, respectively, as well as shares acquired by Messrs. Wann, Ficalora, and O Donovan in such accounts pursuant to dividend reinvestment. Includes shares held by the trustee of the New York Community Bank 401(k) Plan for the accounts of the following officers: Mr. Wann 81,929; Mr. Ficalora 337,652; Mr. O Donovan 84,749; Mr. Cangemi 81,937; Mr. Carpenter 5,014; and Mr. Pinto 26,493; as well as shares acquired in Messrs. Ficalora's, Cangemi's, Carpenter's and Pinto's 401(k) accounts pursuant to dividend reinvestment.

(6) Includes the following shares of unvested restricted stock awarded under the New York Community Bancorp, Inc. 2006 Stock Incentive Plan: Mr. Voutsinas 29,000; Mr. Wann 58,000; Mr. Ficalora 105,000; Mr. Dahya 15,000; Mr. Molinari 10,500; Mr. Cangemi 54,000; Mr. Carpenter 50,000 and Mr. Pinto 38,000. All restricted shares were awarded in 2007 and 2008.

Meetings and Committees of the Board of Directors

The Board of Directors of the Company conducts its business through periodic meetings and through the activities of its committees. In 2007, the Board held thirteen (13) meetings. Each director of the Company attended at least 75% of the aggregate number of meetings of the Board and committees on which such director served during fiscal year 2007. Board members are expected to make reasonable efforts to attend all Board meetings and all meetings of the Board committees on which they serve. Absences are excused only for good cause. Each Board member attended last year's annual meeting of shareholders. The nature and composition of the committees of the Board of Directors are described below.

Audit Committee. The Audit Committee of the Company consists of Messrs. Pileski (Chairman), Kupferberg, Farrell, Ciampa, and Levine, all of whom meet the independence criteria for audit committee members in accordance with the listing standards of the New York Stock Exchange and the rules of the SEC. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities, including with respect to review and, as applicable, approval of (1) the integrity of the Company's financial statements; (2) the Company's compliance with applicable legal and regulatory requirements; (3) the independent registered public accounting firm's qualifications and independence; (4) the performance of the Company's internal audit function and independent auditors; (5) the system of internal controls relating to financial reporting, accounting, legal compliance, and ethics established by management and the Board from time to time; and (6) the Company's internal and external auditing processes. This Committee meets with the Company's and the Community and Commercial Bank's internal auditors to review

the performance of the internal audit function. The Audit Committee met ten (10) times in 2007. A detailed list of the Committee's functions is included in its written

charter adopted by the Board of Directors, a copy of which is available free of charge on the corporate governance pages of our website at www.myNYCB.com and is available in print to any shareholder who requests a copy. The Board of Directors has determined that Mr. Pileski is an audit committee financial expert under the rules of the SEC.

Nominating and Corporate Governance Committee. The Company's Nominating and Corporate Governance Committee consists of Messrs. Blake (Chairman), Ciampa, Dahya, Farrell, Kupferberg, Levine, Molinari, Pileski, and Tsimbinos, Ms. Clancy and Dr. Frederick, all of whom are independent in accordance with the listing standards of the New York Stock Exchange. The Committee considers and recommends the nominees for director to stand for election at the Company's Annual Meeting of Shareholders.

The Nominating and Corporate Governance Committee approved and recommended to the Board of Directors the director nominees standing for election at the Annual Meeting. Each of the nominees proposed for election at the Annual Meeting are current members of the Board, and the Company received no nominations from shareholders for the election of directors to the Board.

In evaluating and recommending nominees for positions on the Board of Directors, the Nominating and Corporate Governance Committee may, but is not required to, consider nominees proposed by management, and will also consider nominees recommended by shareholders. Upon receipt of a nomination, the Committee evaluates candidates based on, among other things, criteria identified by the Board from time to time, including factors relative to the overall composition of the Board and such other factors as the Committee deems appropriate, such as a potential candidate's business experience, specific areas of expertise, skill, and background. Upon approval of a nominee, the Nominating and Corporate Governance Committee recommends that the Board select such candidate for appointment to fill a vacancy and/or for nomination to be elected by the shareholders. The procedures to be followed by shareholders in recommending director candidates to the Nominating and Corporate Governance Committee are included in this proxy statement. See *Corporate Governance Procedures to be Followed by Shareholders in Recommending Director Candidates*.

The Nominating and Corporate Governance Committee held two (2) meetings during 2007. The Nominating and Corporate Governance Committee acts under a written charter adopted by the Board of Directors, a copy of which is available, free of charge, on the corporate governance pages of the Company's website at www.myNYCB.com and is available in print to any shareholder who requests a copy.

Compensation Committee. The Compensation Committee of the Board of Directors consists of Messrs. Blake (Chairman), Kupferberg, Farrell, and Levine and Ms. Clancy, all of whom are independent in accordance with the listing standards of the New York Stock Exchange. This committee meets to establish compensation for the executive officers and to review the Company's incentive compensation programs when necessary. See *Compensation Discussion and Analysis* for further information on the Company's processes and procedures for the consideration and determination of executive and director compensation. The Compensation Committee met six (6) times in 2007. The Compensation Committee acts under a written charter adopted by the Board of Directors, a copy of which is available, free of charge, on the corporate governance pages of the Company's website at www.myNYCB.com and is available in print to any shareholder who requests a copy.

Attendance at Annual Meetings. The Board of Directors expects all directors to attend the Annual Meeting of Shareholders. All but one of the directors attended the 2007 Annual Meeting of Shareholders held on May 30, 2007.

Directors Compensation**2007 Director Compensation**

The following table provides the compensation received by non-employee directors of the Company during the 2007 fiscal year. Directors who are also employees do not receive separate compensation for service on the Board. The table excludes perquisites, which did not exceed \$10,000 in the aggregate for any director.

Non-employee Directors	Fees Earned or Paid in			Total (\$)
	Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	All Other Compensation (\$) ⁽³⁾	
Donald M. Blake	157,000		3,102	160,102
Dominick Ciampa	182,200		3,102	185,302
Maureen E. Clancy	82,000		3,102	85,102
Hanif Dahya	69,500	62,121	14,352	145,973
Robert S. Farrell	101,500		3,102	104,602
William C. Frederick, MD	87,500		3,102	90,602
Max L. Kupferberg	174,500		3,102	177,602
Michael J. Levine	193,600		3,102	196,702
Hon. Guy V. Molinari	85,500	43,485	10,977	139,962
John E. Pileski	154,000		3,102	157,102
John M. Tsimbinos	197,700		3,102	200,802
Spiros J. Voutsinas		71,180	226,900	298,080

(1) Includes compensation received for service on the Community Bank and Commercial Bank Boards.

(2) Reflects the compensation expense recognized for financial statement reporting purposes in accordance with Statement on Financial Accounting Standards No. 123R, Accounting for Stock-Based Compensation (SFAS 123(R)) on outstanding restricted stock awards for each non-employee director. The amounts were calculated based upon the Company's stock price of \$17.80 on the date of grant. See footnote 6 to the directors and executive officers stock ownership table on page 8 for the aggregate number of unvested restricted stock award shares held by each director at fiscal year-end.

(3) For all directors, except Messrs. Voutsinas, Dahya, and Molinari, the reported amounts represent premiums paid under certain life insurance policies maintained by the Company for the benefit of each of the Directors. For Mr. Voutsinas, the amount includes \$3,102 in life insurance premiums, \$220,000 received as employee compensation for his service as President and Chief Executive Officer of the Atlantic Bank division of New York Commercial Bank, and \$3,798 received as dividends on unvested restricted stock. For Messrs. Dahya and Molinari, the reported amount includes life insurance premiums (\$3,102) and dividends received on unvested restricted stock as follows: Mr. Dahya (\$11,250) and Mr. Molinari (\$7,875).

Directors Fees. Directors of the Company do not receive any fees or retainers for serving on the Company's Board of Directors. In 2007, non-employee directors of the Community Bank received an annual retainer of \$46,000 and a fee of \$2,500 per Board meeting attended. Non-employee directors of the Banks also received fees ranging from \$500 to \$2,000 for each committee meeting attended, although such fees are not duplicated for joint Company, Community Bank, and Commercial Bank committee meetings. Committee chairpersons receive fees ranging from \$1,000 to \$4,000 per meeting, except that the Chairman of the Audit Committee receives an annual retainer of \$20,000 for his service in such capacity. Additionally, members of the Mortgage and Real Estate Committee of the Community Bank Board of Directors or the Credit Committee of the Commercial Bank Board of Directors who perform inspections of properties offered as security for the respective Bank's loans, in accordance with the Community Bank's and Commercial Bank's lending policies, also receive a fee of \$1,200 per half-day inspection and \$1,800 per full-day inspection.

Directors Deferred Fee Plan. The Community Bank maintains a deferred fee stock unit plan to provide an opportunity for those members of the Board of Directors of the Community Bank who were active in such capacity on the effective date of the plan to defer the receipt of fees otherwise currently payable to them, in exchange for the receipt (at the time they cease to serve as directors) of shares of the Company's Common Stock having a value equal to the amount of such deferred benefit, thus providing the Community Bank with the use of the funds for

business activities. The deferral of fees under the plan applies to all fees received by directors, including regular meeting fees, special meeting fees, and committee fees.

Outside Directors Consultation and Retirement Plan. The Community Bank maintains the Outside Directors Consultation and Retirement Plan to provide benefits to certain outside directors who served on the board of Queens County Savings Bank; to ensure their continued service and assistance in the conduct of the Community Bank's business. Under the plan, a director's role is to (a) review and enhance the quality and objectivity of the audit function; (b) approve, and recommend to the Independent Board Members (as such term is defined in the Audit Committee Charter) for their ratification, the selection, appointment, retention or termination of the Fund's independent registered public accounting firm, as well as approving the compensation thereof; and (c) approve all audit and permissible non-audit services provided to the Fund and certain other persons by the Fund's independent registered public accounting firm. This Committee met twice during the fiscal year ended December 31, 2012. The Fund's Board of Directors most recently reviewed and adopted an Audit Committee Charter at a meeting held on May 21, 2010, a copy of which was attached as Annex A to the Fund's proxy statement dated April 1, 2011.

Nominating Committee

The Fund's Nominating Committee, the principal function of which is to select and nominate candidates for election as Directors of the Fund, is composed of all of the Independent Directors: Mses. Colman and Kamerick and Messrs. Cronin, Cucchi, Gelb, Hutchinson, Roett and Salacuse. Mr. Cronin serves as the Chair of the Nominating Committee. The Nominating Committee may consider nominees recommended by the stockholder

as it deems appropriate. Stockholders who wish to recommend a nominee should send recommendations to the Fund's Secretary that include all information relating to such person that is required to be disclosed in solicitations of proxies for the election of Directors. A recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Directors and to serve if elected by the stockholders. The Nominating Committee met twice during the fiscal year ended December 31, 2012. The Fund's Board of Directors most recently reviewed and re-adopted a Nominating Committee Charter at a meeting held on February 14, 2013, a copy of which is attached as Annex B to the Fund's proxy statement.

The Nominating Committee identifies potential nominees through its network of contacts, and in its discretion may also engage a professional search firm. The Nominating Committee meets to discuss and consider such candidates' qualifications and then chooses a candidate by majority vote. The Nominating Committee does not have specific, minimum qualifications for nominees and has not established specific qualities or skills that it regards as necessary for one or more of the Fund's Directors to possess (other than any qualities or skills that may be required by applicable law, regulation or listing standard). However, as set forth in the Nominating Committee Charter, in evaluating a person as a potential nominee to serve as a Director of the Fund, the Nominating Committee may consider the following factors, among any others it may deem relevant:

- whether or not the person is an "interested person" as defined in the 1940 Act and whether the person is otherwise qualified under applicable laws and regulations to serve as a Director of the Fund;
- whether or not the person has any relationships that might impair his or her independence, such as any business, financial or family relationships with Fund management, the investment manager of the Fund, Fund service providers or their affiliates;
- whether or not the person serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related mutual fund complexes;
- whether or not the person is willing to serve, and willing and able to commit the time necessary for the performance of the duties of a Director of the Fund;
- the contribution which the person can make to the Board and the Fund (or, if the person has previously served as a Director of the Fund, the contribution which the person made to the Board during his or her previous term of service), with consideration being given to the person's business and professional experience, education and such other factors as the Committee may consider relevant;
- the character and integrity of the person; and
- whether or not the selection and nomination of the person would be consistent with the requirements of the Fund's retirement policies.

The Nominating Committee does not have a formal diversity policy with regard to the consideration of diversity in identifying potential director nominees but may consider diversity of professional experience, education and skills when evaluating potential nominees for Board membership.

Risk Oversight

The Board's role in risk oversight of the Fund reflects its responsibility under applicable state law to oversee generally, rather than to manage, the operations of the Fund. In line with this oversight responsibility, the

Board receives reports and makes inquiry at its regular meetings and as needed regarding the nature and extent of significant Fund risks (including investment, compliance and valuation risks) that potentially could have a

materially adverse impact on the business operations, investment performance or reputation of the Fund, but relies upon the Fund's management (including the Fund's portfolio managers) and Chief Compliance Officer, who reports directly to the Board, and the Manager to assist it in identifying and understanding the nature and extent of such risks and determining whether, and to what extent, such risks may be eliminated or mitigated. In addition to reports and other information received from Fund management and the Manager regarding the Fund's investment program and activities, the Board as part of its risk oversight efforts meets at its regular meetings and as needed with the Fund's Chief Compliance Officer to discuss, among other things, risk issues and issues regarding the policies, procedures and controls of the Fund. The Board may be assisted in performing aspects of its role in risk oversight by the Audit Committee and such other standing or special committees as may be established from time to time by the Board. For example, the Audit Committee of the Board regularly meets with the Fund's independent public accounting firm to review, among other things, reports on the Fund's internal controls for financial reporting.

The Board believes that not all risks that may affect the Fund can be identified, that it may not be practical or cost-effective to eliminate or mitigate certain risks, that it may be necessary to bear certain risks (such as investment-related risks) to achieve the Fund's goals, and that the processes, procedures and controls employed to address certain risks may be limited in their effectiveness. Moreover, reports received by the Directors as to risk management matters are typically summaries of relevant information and may be inaccurate or incomplete. As a result of the foregoing and other factors, the Board's risk management oversight is subject to substantial limitations.

Officers

The Fund's executive officers are chosen each year at a regular meeting of the Board of Directors of the Fund, to hold office until their respective successors are duly elected and qualified. Officers of the Fund receive no compensation from the Fund, although they may be reimbursed by the Fund for reasonable out-of-pocket travel expenses for attending Board meetings. In addition to Mr. Gerken, the Fund's Chairman, CEO and President, the executive officers of the Fund currently are:

Name, Address and Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 years
Richard F. Sennett Legg Mason & Co. 100 International Drive Baltimore, MD 21202	Principal Financial Officer	Since 2011	Principal Financial Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011); Managing Director of Legg Mason & Co. and Senior Manager of the Treasury Policy group for Legg Mason & Co.'s Global Fiduciary Platform (since 2011); formerly, Chief Accountant within the SEC's Division of Investment Management (2007 to 2011); formerly, Assistant Chief Accountant within the SEC's Division of Investment Management (2002 to 2007)
Birth year: 1970			

Name, Address and Age	Position(s) Held with Fund	Length of Time Served	Principal Occupation(s) During Past 5 years
Ted P. Becker Legg Mason & Co. 620 Eighth Avenue, 49th Floor New York, NY 10018 Birth year: 1951	Chief Compliance Officer	Since 2006	Director of Global Compliance at Legg Mason (since 2006); Managing Director of Compliance at Legg Mason, (since 2005); Chief Compliance Officer with certain mutual funds associated with Legg Mason (since 2006); Managing Director of Compliance at Legg Mason or its predecessors (2002-2005). Prior to 2002, Managing Director Internal Audit & Risk Review at Citigroup Inc.
Vanessa A. Williams Legg Mason & Co. 100 First Stamford Place, Stamford, CT 06902 Birth year: 1979	Identity Theft Prevention Officer	Since 2011	Identity Theft Prevention Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011); Chief Anti-Money Laundering Compliance Officer of certain mutual funds associated with Legg Mason & Co. or its affiliates (since 2011); formerly, Assistant Vice President and Senior Compliance Officer of Legg Mason & Co. or its predecessor (2008 to 2011); formerly, Compliance Analyst of Legg Mason & Co. or its predecessor (2004 to 2008)
Steven Frank Legg Mason & Co. 620 Eighth Avenue New York, NY 10018 Birth Year: 1967	Treasurer	Since 2010	Vice President of Legg Mason & Co. (since 2002); Treasurer of certain funds associated with Legg Mason or its affiliates (since 2010); formerly, Controller of certain funds associated with Legg Mason or its predecessors (from 2005 to 2010); Formerly, Assistant Controller of certain mutual funds associated with Legg Mason predecessors (from 2001 to 2005)

Robert I. Frenkel Legg Mason & Co. 100 First Stamford Place Stamford, CT 06902 Birth year: 1954	Secretary and Chief Legal Officer	Since 2003	Managing Director and General Counsel of Global Mutual Funds for Legg Mason and its predecessor (since 1994); Secretary and Chief Legal Officer of mutual funds associated with Legg Mason (since 2003).
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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "1934 Act") and Section 30(h) of the 1940 Act in combination require the Fund's Directors and officers and persons who own more than 10% of the Fund's common stock, as well as LMPFA, Western Asset and certain of their affiliated persons, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC") and the New York Stock Exchange, Inc. ("NYSE"). Such persons and entities are required by SEC regulations to furnish the Fund with copies of all such filings. Based solely on its review of the copies of such forms received by it, or written representations from certain reporting persons, the Fund believes that, during the fiscal year ended December 31, 2012, all such filing requirements were met with respect to the Fund.

Report of the Audit Committee

Pursuant to a meeting of the Audit Committee on February 20-21, 2013, the Audit Committee reports that it has: (i) reviewed and discussed the Fund's audited financial statements with management; (ii) discussed with KPMG LLP ("KPMG"), the independent registered public accounting firm of the Fund, the matters required to be discussed by the Statement on Auditing Standards No. 61 as amended, as adopted by the Public Company Accounting Oversight Board in Rule 3200T; and (iii) previously received written confirmation from KPMG that it is independent and written disclosures regarding such independence as required by the Public Company Accounting Oversight Board Standard No. 1, and discussed with KPMG the independent registered public accounting firm's independence.

Pursuant to the Audit Committee Charter adopted by the Fund's Board, the Audit Committee is responsible for conferring with the Fund's independent registered public accounting firm, reviewing annual financial statements and recommending the selection of the Fund's independent registered public accounting firm. The Audit Committee advises the full Board with respect to accounting, auditing and financial matters affecting the Fund. The independent registered public accounting firm is responsible for planning and carrying out the proper audits and reviews of the Fund's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States of America.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting and are responsible for oversight. Moreover, the Audit Committee relies on and makes no independent verification of the facts presented to it or representations made by management or the independent registered public accounting firm. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principals and policies, or internal controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. Furthermore, the Audit Committee's considerations and discussions referred to above do not provide assurance that the audit of the Fund's financial statements has been carried out in accordance with generally accepted accounting standards or that the financial statements are presented in accordance with generally accepted accounting principles.

Based on the review and discussions referred to in items (i) through (iii) above, the Audit Committee recommended to the Board of Directors (and the Board has approved) that the audited financial statements be included in the Fund's annual reports for the Fund's fiscal year ended December 31, 2012.

Submitted by the Audit Committee
of the Fund's Board of Directors

Carol L. Colman
Daniel P. Cronin
Paolo M. Cucchi
Leslie H. Gelb
William R. Hutchinson
Riordan Roett
Jeswald W. Salacuse

February 20-21, 2013

Board Recommendation and Required Vote

Directors are elected by a plurality of the votes cast by the holders of shares of the Fund's common stock present in person or represented by proxy at a meeting at which a quorum is present. For purposes of the election of Directors, abstentions and broker non-votes will not be considered votes cast, and do not affect the plurality vote required for Directors.

The Board of Directors, including the Directors who are not "interested" persons unanimously recommends that stockholders of the Fund vote FOR each of the nominees for Director.

Disclosure of Fees Paid to Independent Registered Public Accounting Firm

Audit Fees. The aggregate fees billed in the last two fiscal years ended December 31, 2011 and December 31, 2012 for professional services rendered by KPMG for the audit of the Fund's annual financial statements, or services that are normally provided in connection with the statutory and regulatory filings or engagements in those fiscal years, were \$52,200 and \$53,800, respectively.

Audit-Related Fees. The aggregate fees billed by KPMG in connection with assurance and related services related to the annual audit of the Fund and for review of the Fund's financial statements, other than the Audit Fees described above, for the fiscal years ended December 31, 2011 and December 31, 2012 were \$0 and \$0, respectively.

In addition, there were no Audit Related Fees billed in the fiscal years ended December 31, 2011 and December 31, 2012 for assurance and related services by KPMG to LMPFA and any entity controlling, controlled by or under common control with LMPFA that provides ongoing services to the Fund (LMPFA and such other entities together, the "Service Affiliates"), that were related to the operations and financial reporting of the Fund.

Tax Fees. The aggregate fees billed by KPMG for tax compliance, tax advice and tax planning services, which include the filing and amendment of federal, state and local income tax returns, timely regulated investment company qualification review and tax distribution and analysis planning to the Fund for the fiscal years ended December 31, 2011 and December 31, 2012 were \$3,800 and \$4,000, respectively.

There were no fees billed by KPMG to the Service Affiliates for tax services for the fiscal years ended December 31, 2011 and December 31, 2012 that were required to be approved by the Fund's Audit Committee.

All Other Fees. There were no other fees billed for other non-audit services rendered by KPMG to the Fund for the fiscal years ended December 31, 2011 and December 31, 2012.

There were no other non-audit services rendered by KPMG to the Service Affiliates in the fiscal years ended December 31, 2011 and December 31, 2012.

Generally, the Audit Committee must approve (a) all audit and permissible non-audit services to be provided to the Fund and (b) all permissible non-audit services to be provided to the Service Affiliates that relate directly to the operations and financial reporting of the Fund. The Audit Committee may implement policies and procedures by which such services are approved other than by the full Committee but has not yet done so.

For the Fund, the percentage of fees that were approved by the Audit Committee, with respect to: Audit-Related Fees were 100% and 100% for the fiscal years ended December 31, 2011 and December 31, 2012; Tax Fees were 100% and 100% for the fiscal years ended December 31, 2011 and December 31, 2012; and for Other Fees paid were 100% and 100% for the fiscal years ended December 31, 2011 and December 31, 2012.

The Audit Committee shall not approve non-audit services that the Committee believes may impair the independence of the registered public accounting firm. As of the date of the approval of the Audit Committee Charter, permissible non-audit services include any professional services (including tax services), that are not prohibited services as described below, provided to the Fund by the independent registered public accounting firm, other than those provided to the Fund in connection with an audit or a review of the financial statements of the Fund. Permissible non-audit services may not include: (i) bookkeeping or other services related to the accounting records or financial statements of the Fund; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service the Public Company Accounting Oversight Board determines, by regulation, is impermissible.

Pre-approval by the Audit Committee of any permissible non-audit services is not required so long as: (i) the aggregate amount of all such permissible non-audit services provided to the Fund, the Manager and any Covered Service Provider constitutes not more than 5% of the total amount of revenues paid to the independent registered public accounting firm during the fiscal year in which the permissible non-audit services are provided to (a) the Fund, (b) LMPFA and (c) any entity partially controlled by or under common control with LMPFA that provides ongoing services to the Fund during the fiscal year in which the services are provided that would not have to be approved by the Committee; (ii) the permissible non-audit services were not recognized by the Fund at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Audit Committee and approved by the Audit Committee (or its delegate(s)) prior to the completion of the audit.

The aggregate non-audit fees billed by KPMG for non-audit services rendered to the Fund and Service Affiliates for the fiscal years ended December 31, 2011 and December 31, 2012 were \$0 and \$0, respectively.

The Audit Committee has considered whether the provision of non-audit services to the Service Affiliates that were not pre-approved by the Audit Committee (because they did not require pre-approval) is compatible with maintaining KPMG's independence. All services provided by KPMG to the Fund or to the Service Affiliates that were required to be pre-approved by the Audit Committee were pre-approved.

A representative of KPMG, if requested by any stockholder, will be present via telephone at the Meeting to respond to appropriate questions from stockholders and will have an opportunity to make a statement if he or she chooses to do so.

5% Beneficial Ownership

At February 28, 2013, to the knowledge of management, the registered stockholders who owned of record or owned beneficially more than 5% of the Fund's capital stock outstanding is noted in the table below. As of the close of business on February 28, 2013, Cede & Co., a nominee for participants in the Depository Trust Company, held of record 11,429,384 shares, equal to approximately 99% of the Fund's outstanding shares including the shares shown below.

Percent	Name	Address
11.50% ⁽¹⁾	First Trust Portfolios L.P. and its affiliates	120 East Liberty Drive, Suite 400 Wheaton, IL 60187
5.39% ⁽²⁾	Advisors Asset Management, Inc.	18925 Base Camp Road

Monument, CO 80132

(1) Based upon information disclosed in a Schedule 13G/A filed jointly with the SEC on January 31, 2013 by First Trust Portfolios L.P., First Trust Advisors L.P. and The Charger Corporation.

(2) Based upon information disclosed in a Schedule 13G filed with the SEC on February 7, 2013.

Submission of Stockholder Proposals and Other Stockholder Communications

All proposals by stockholders of the Fund that are intended to be presented at the 2014 Annual Meeting of Stockholders must be received by the Fund for inclusion in the Fund's proxy statement and proxy relating to that meeting no later than November 27, 2013. Any stockholder who desires to bring a proposal at the 2014 Annual Meeting of Stockholders without including such proposal in the Fund's proxy statement must deliver written notice thereof to the Secretary of the Fund (addressed to c/o Legg Mason, 100 First Stamford Place, 6th Floor, Stamford, CT 06902) during the period from January 26, 2014 to February 25, 2014. However, if the Fund's 2014 Annual Meeting of Stockholders is held earlier than March 27, 2014 or later than June 25, 2014, such written notice must be delivered to the Secretary of the Fund no earlier than 90 days before the date of the 2014 Annual Meeting of Stockholders and no later than the later of 60 days prior to the date of the 2014 Annual Meeting of Stockholders or 10 days following the public announcement of the date of the 2014 Annual Meeting of Stockholders. Stockholder proposals are subject to certain regulations under the federal securities laws.

The Fund's Audit Committee has established guidelines and procedures regarding the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters (collectively, "Accounting Matters"). Persons with complaints or concerns regarding Accounting Matters may submit their complaints to the Chief Compliance Officer ("CCO"). Persons who are uncomfortable submitting complaints to the CCO, including complaints involving the CCO, may submit complaints directly to the Fund's Audit Committee Chair (together with the CCO, "Complaint Officers"). Complaints may be submitted on an anonymous basis.

The CCO may be contacted at:

Legg Mason & Co., LLC
Compliance Department
620 Eighth Avenue, 49th Floor
New York, New York 10018

Complaints may also be submitted by telephone at 1-800-742-5274. Complaints submitted through this number will be received by the CCO.

The Fund's Audit Committee Chair may be contacted at:

LMP Real Estate Income Fund Inc.
Audit Committee Chair
c/o Robert K. Fulton, Esq.
Stradley Ronon Stevens & Young, LLP
2600 One Commerce Square
Philadelphia, PA 19103

A stockholder who wishes to send any other communications to the Board should also deliver such communications to the Secretary of the Fund at 100 First Stamford Place, 6th Floor, Stamford, CT 06902. The Secretary is responsible for determining, in consultation with other officers of the Fund, counsel, and other advisers as appropriate, which stockholder communications will be relayed to the Board.

Expenses of Proxy Solicitation

The costs of preparing, assembling, mailing material and solicitation of proxies will be borne by the Fund and are expected to be approximately \$21,000. Proxies may also be solicited in-person by officers of the Fund and by regular employees of LMPFA or its affiliates, or other representatives of the Fund or by telephone, in addition to the use of mails. Brokerage houses, banks and other fiduciaries may be requested to forward proxy solicitation material to their principals to obtain authorization for the execution of proxies, and will be reimbursed by the Fund for such out-of-pocket expenses.

Other Business

The Fund's Board of Directors does not know of any other matter that may come before the Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the proxy to vote the proxies in accordance with their judgment on that matter.

By Order of the Board of Directors,

Robert I. Frenkel
Secretary

March 27, 2013

IT IS IMPORTANT THAT PROXIES BE RETURNED PROMPTLY. STOCKHOLDERS WHO DO NOT EXPECT TO ATTEND THE MEETING ARE THEREFORE URGED TO COMPLETE AND SIGN, DATE AND RETURN THE PROXY CARD AS SOON AS POSSIBLE IN THE ENCLOSED POSTAGE-PAID ENVELOPE.

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ANNEX B

NOMINATING COMMITTEE CHARTER

Organization

The Nominating Committee of each registered investment company listed on Appendix A hereto (each, a "Fund" and together, the "Funds") shall be composed solely of Directors who are not "interested persons" of the Fund as defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended (the "1940 Act") and, with respect to those Funds listed on the New York Stock Exchange, who are "independent" as defined in the New York Stock Exchange listing standards ("Independent Directors"). The Board of Directors of the Fund (the "Board") shall nominate the members of the Committee and shall designate the Chairperson of the Committee. The Chairperson shall preside at each meeting of the Committee.

Responsibilities

The Committee shall select and nominate persons for election or appointment by the Board as Directors of the Fund.

Evaluation of Potential Nominees

In evaluating a person as a potential nominee to serve as a Director of the Fund, the Committee should consider among other factors it may deem relevant:

- whether or not the person is an "interested person" as defined in the 1940 Act and whether the person is otherwise qualified under applicable laws and regulations to serve as a Director of the Fund;
- whether or not the person has any relationships that might impair his or her independence, such as any business, financial or family relationships with Fund management, the investment manager of the Fund, other Fund service providers or their affiliates;
- whether or not the person serves on boards of, or is otherwise affiliated with, competing financial service organizations or their related mutual fund complexes;
- whether or not the person is willing to serve, and willing and able to commit the time necessary for the performance of the duties of a Director of the Fund;
- the contribution which the person can make to the Board and the Fund (or, if the person has previously served as a Director of the Fund, the contribution which the person made to the Board during his or her previous term of service), with consideration being given to the person's business and professional experience, education and such other factors as the Committee may consider relevant;
- the character and integrity of the person; and
- whether or not the selection and nomination of the person would be consistent with the requirements of the Fund's retirement policies.

While the Committee is solely responsible for the selection and nomination of Directors, the Committee may consider nominees recommended by Fund stockholders as it deems appropriate. Stockholders who

wish to recommend a nominee should send nominations to the Secretary of the Fund that include all information

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relating to such person that is required to be disclosed in solicitations of proxies for the election of Directors. The recommendation must be accompanied by a written consent of the individual to stand for election if nominated by the Board of Directors and to serve if elected by the stockholders.

Quorum

A majority of the members of the Committee shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Committee present at any meeting at which there is a quorum shall be the act of the Committee.

Nomination of Directors

After a determination by the Committee that a person should be selected and nominated as a Director of the Fund, the Committee shall present its recommendation to the Board for its consideration.

Meetings

The Committee may meet either on its own or in conjunction with meetings of the Board. Meetings of the Committee may be held in person, video conference or by conference telephone. The Committee may take action by unanimous written consent in lieu of a meeting.

Adopted: February 15, 2007

APPENDIX A

As amended February 14, 2013

CLEARBRIDGE ENERGY MLP FUND INC. ("CEM")

CLEARBRIDGE ENERGY MLP OPPORTUNITY FUND INC. ("EMO")

CLEARBRIDGE ENERGY MLP TOTAL RETURN FUND INC. ("CTR")

LEGG MASON BW GLOBAL INCOME OPPORTUNITIES FUND INC. ("BWG")

LEGG MASON PERMAL ALTERNATIVES FUND INC.

LMP CAPITAL AND INCOME FUND INC. ("SCD")

LMP CORPORATE LOAN FUND INC. ("TLI")

LMP REAL ESTATE INCOME FUND INC. ("RIT")

PERMAL HEDGE STRATEGIES FUND

WESTERN ASSET EMERGING MARKETS DEBT FUND INC. ("ESD")

WESTERN ASSET EMERGING MARKETS INCOME FUND INC. ("EMD")

WESTERN ASSET GLOBAL CORPORATE DEFINED OPPORTUNITY FUND INC. ("GDO")

WESTERN ASSET GLOBAL HIGH INCOME FUND INC. ("EHI")

WESTERN ASSET GLOBAL PARTNERS INCOME FUND INC. ("GDF")

WESTERN ASSET HIGH INCOME FUND INC. ("HIF")

WESTERN ASSET HIGH INCOME FUND II INC. ("HIX")

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. ("HIO")

WESTERN ASSET HIGH YIELD DEFINED OPPORTUNITY FUND INC. ("HYI")

WESTERN ASSET INFLATION MANAGEMENT FUND INC. ("IMF")

WESTERN ASSET INTERMEDIATE MUNI FUND INC. ("SBI")

WESTERN ASSET INVESTMENT GRADE DEFINED OPPORTUNITY TRUST INC. ("IGI")

WESTERN ASSET MANAGED HIGH INCOME FUND INC. ("MHY")

WESTERN ASSET MANAGED MUNICIPALS FUND INC. ("MMU")

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WESTERN ASSET MIDDLE MARKET DEBT FUND INC. ("WAM")

WESTERN ASSET MIDDLE MARKET & HIGH YIELD FUND INC.

WESTERN ASSET MORTGAGE DEFINED OPPORTUNITY FUND INC. ("DMO")

WESTERN ASSET MUNICIPAL DEFINED OPPORTUNITY TRUST INC. ("MTT")

WESTERN ASSET MUNICIPAL HIGH INCOME FUND INC. ("MHF")

WESTERN ASSET MUNICIPAL PARTNERS FUND INC. ("MNP")

WESTERN ASSET OPPORTUNISTIC INCOME FUND INC.

WESTERN ASSET VARIABLE RATE STRATEGIC FUND INC. ("GFY")

WESTERN ASSET WORLDWIDE INCOME FUND INC. ("SBW")

PROXY TABULATOR

**P.O. BOX 859232
BRAintree, MA 02185-9232**

Vote this proxy card TODAY!

**Your prompt response will save the expense
of additional mailings.**

- LOG-ON: Vote on the internet at www.kingproxy.com/leggmason and follow the on-screen instructions.
- CALL: To vote by phone call toll-free **1-800-359-5559** and follow the recorded instructions.
- MAIL: Return the signed proxy card in the enclosed envelope.

LMP REAL ESTATE INCOME FUND INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

The undersigned hereby appoints Robert I. Frenkel, George P. Hoyt, Michael Kocur and Barbara Allen and each of them, attorneys and proxies for the undersigned, with full power of substitution and revocation to represent the undersigned and to vote on behalf of the undersigned all shares of LMP Real Estate Income Fund Inc. (the Fund) which the undersigned is entitled to vote at the Annual Meeting of Stockholders of the Fund to be held at Legg Mason, 620 Eighth Avenue (at 41st Street), 49th Floor, New York, New York on April 26, 2013, at 10:00 a.m., Eastern Daylight Time and at any adjournments thereof (the Meeting). The undersigned hereby acknowledges receipt of the Notice of Meeting and accompanying proxy statement and hereby instructs said attorneys and proxies to vote said shares indicated hereon. In their discretion, the proxies are authorized to vote upon such other business as may properly come before the Meeting. A majority of the proxies present and acting at the Meeting in person or by substitute (or, if only one shall be so present, then that one) shall have and may exercise all of the power and authority of said proxies hereunder. The undersigned hereby revokes any proxy previously given.

This proxy, if properly executed, will be voted in the manner directed by the stockholder. If no direction is made, this proxy will be voted FOR the election of the nominees as director.

**PLEASE SIGN, DATE, AND RETURN PROMPTLY IN ENCLOSED
ENVELOPE IF YOU ARE NOT VOTING BY PHONE OR INTERNET** Dated

Signature(s) (Title(s), if applicable)

(Sign in the Box)

Note: Please sign exactly as your name appears on this Proxy. When signing in a fiduciary capacity, such as executor, administrator, trustee, attorney, guardian, etc., please so indicate. Corporate or partnership proxies should be signed by an authorized person indicating the person's title.

PLEASE SIGN, DATE AND RETURN PROMPTLY IN THE ENCLOSED ENVELOPE.

PLEASE MARK YOUR VOTE IN BLUE OR BLACK INK AS SHOWN HERE.

Example:

The Board of Directors recommends a vote FOR the following proposal:

1. Election of Directors: (1-3) Class I Directors, to serve until the 2016 Annual Meeting of

FOR all nominees listed
(except as noted on the
line at left)

WITHHOLD
authority to vote for all
nominees

Stockholders; (4) Class III Director, to serve until the 2015 Annual Meeting of Stockholders.

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(01) Carol L. Colman (4) Eileen A. Kamerick

(02) Leslie H. Gelb

(03) R. Jay Gerken

(Instruction: To withhold authority to vote for any individual nominee(s), write the name(s) of the nominee(s) on the line above.)

PLEASE SIGN ON REVERSE SIDE

LMF15-150-PXC-Back 1.01