FOR IMMEDIATE RELEASE
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NEW YORK CITY MUNICIPAL WATER FINANCE AUTHORITY BOND SELLS TO RECEPTIVE MARKET ON NEWS OF POSITIVE OUTLOOK FROM MOODY’S AND STANDARD & POORS

The New York City Municipal Water Finance Authority ("NYW" or the "Authority") today announced the successful sale of its Fiscal 2000 Series A Bonds, consisting of $275 million of fixed-rate, tax-exempt bonds. The Authority recently received "positive outlook" status from both Moody's Investors Service and Standard and Poor's. The Authority's uninsured tax-exempt bonds were assigned an "A1" rating with a positive outlook by Moody's Investors Service, an "A" with a positive outlook from Standard and Poor's, "AA-" by Fitch IBCA and "AA-" by Duff & Phelps.

The true interest cost on the financing was approximately 5.9 percent. The transaction structure included four term bonds with maturities in 2027, 2030, 2031 and 2032. FGIC provided insurance on approximately $190 million of the transaction, which included the entire 2027, 2031 and 2032 maturities. Interest rates (yields) on the insured term bonds ranged from 5.79 percent in 2027 to 5.83 percent in 2032. The uninsured maturity in 2030 yielded 5.90 percent. Book-running senior manager First Albany Corporation led the transaction in cooperation with rotating senior managers Merrill Lynch & Co and PaineWebber Incorporated. In addition, NYW's twelve-member co-senior and co-manager underwriting group participated.

The Authority received approximately $480 million in priority orders from institutional investors, with all three of the maturities offered to institutional investors oversubscribed by an average of two times the amount of bonds offered. The Authority held a one-day retail order period on Monday, September 27, 1999. Total orders from retail investors were approximately $10 million. Proceeds from NYW bonds are used to fund eligible capital construction projects for New York City's water and water pollution control systems.