

STAR

SALES TAX ASSET RECEIVABLE CORPORATION

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FOR IMMEDIATE RELEASE

Date: Friday, December 14, 2007

Release #121407

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SALES TAX ASSET RECEIVABLE CORPORATION ANNOUNCES REVIEW AND REVISION OF INVESTMENT PROCEDURES AND NO EXPOSURE TO SUBPRIME MORTGAGE PROBLEMS

The Sales Tax Asset Receivable Corporation ("STAR") has completed a review of its investments and announced today that it does not have investments in subprime mortgages, asset-backed commercial paper and special investment vehicles or any other related financial instruments. STAR has instituted several revised procedures to ensure that STAR will not have exposure to these investments which have been under scrutiny in recent months as a result of the subprime mortgage crisis.

STAR does not currently utilize outside investment managers and does not invest in state and local government investment pools.

STAR's invested funds consist of the debt service fund, the debt service reserve fund, operating funds and a redemption account.

Investments are made pursuant to STAR's bond indenture and investment guidelines approved by the STAR Board of Directors. These bond indenture and investment guidelines are posted on STAR's web site, which can be found at: <http://www.nyc.gov/html/starcorp/html/documents.html>.

STAR has issued written instructions to its trustee that, until further notice, all new or rollover investments in commercial paper and finance paper, in addition to meeting other minimum requirements of the investment guidelines, including minimum ratings of A-1 + by Standard & Poor's and P-1 by Moody's Investors Service, may not be investments in asset-backed commercial paper. The additional written instructions also stated that investments in direct obligations of, or obligations guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Farm Credit System, must be rated triple-A by both Moody's Investors Service and Standard & Poor's Corporation.

STAR's staff will continue to monitor and assess the risks associated with the different types of investments STAR is permitted to make under its indenture and investment guidelines. If STAR determines that circumstances warrant a change in these written investment instructions, it expects to announce that change in a subsequent press announcement which will also be posted on the STAR web site.

As of December 13, 2007, STAR had approximately \$231 million of funds, substantially all of which were invested in AAA-rated discount notes of Government Sponsored Entities, including Federal Home Loan Mortgage Corporation and Federal Home Loan Bank.