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New York City Transitional Finance Authority Fiscal 2000 Series B Bonds Receive Strong Demand from Retail and Institutional Investors

The New York City Transitional Finance Authority (the "TFA") announced today that it successfully priced its Fiscal 2000 Series B Bonds. The transaction had both taxable and tax-exempt components. The tax-exempt bonds totaling \$560 million were sold on a negotiated basis through the TFA's underwriting syndicate led by book-running senior manager Bear, Stearns & Co. Lehman Brothers and Morgan Stanley Dean Witter served as co-senior managers on the tax-exempt portion of the deal. The taxable \$40 million portion was sold by competitive bidding. Ten bids were submitted for the taxable bonds. Nine of the bids were submitted electronically through Thomson Financial Municipals Group Parity Electronic Bid Submission System. First Union Securities, Inc. submitted the winning bid with a true interest cost of 7.337171 percent.

The transaction was structured with serial maturities beginning in 2002 through 2021 and included two term bonds in 2024 and 2029. Yields (interest rates) ranged from 4.50 percent in the 2002 maturity to 6.21 percent in the 2029 term maturity.

Institutional demand for TFA's bonds was strong and broad based. The approximately \$404 million of bonds offered to institutions net of retail pre-sale orders and retention were oversubscribed one and one third times by the \$537 million of priority orders from institutions.

The sale was preceded by a two-day retail order period that opened on Friday afternoon, January 21 and concluded on Monday afternoon, January 24. The \$101 million of retail pre-sale orders totaled 18 percent of the tax-exempt bonds offered. The first five maturities were completely pre-sold in the retail order period.

This bond sale is the second of three TFA bond sales scheduled for issuance in Fiscal Year 2000 ending June 30, 2000, the proceeds of which will be used to fund the ongoing capital program of the City of New York. The Fiscal 2000 Series B bond issue will close on Wednesday, February 2.