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**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY SUCCESSFULLY PRICES
\$1.25 BILLION FISCAL 2003 SERIES A REFUNDING BONDS**

The New York City Transitional Finance Authority (the "TFA") announced today that it successfully priced \$1.25 billion in Fiscal 2003 Series A bonds.

The Series A refunding bonds included approximately \$400 million of tax-exempt fixed-rate serial bonds and approximately \$850 million of stepped-coupon bonds, with Lehman Brothers serving as book-running senior manager and JPMorgan, Morgan Stanley and Merrill Lynch & Co. serving as co-senior managers on today's sale.

The Series A bonds offered serial maturities from 2002 through 2014. The 2002 and 2003 were sold by sealed bid. Lehman Brothers was awarded both sealed bids, with the 2002 maturity yielding 1.13% and the 2003 maturity yielding 1.61%. The stepped coupon bonds offered in 2026, 2027 and 2029 yielded 4.38%. Spreads on the fixed coupon serial bonds to the benchmark MMD AAA scale were consistent with historical TFA sales. The stepped coupon bonds were oversubscribed with priority orders from institutional investors which allowed the yield to be lowered by 02 basis points to 4.38% and the size of the overall refunding to be increased from \$1 billion to \$1.25 billion.

Moody's Investors Service rates the TFA at Aa2, Standard & Poor's rates the TFA at AA+, and Fitch rates the TFA at AA+.