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The New York City Transitional Finance Authority Announces Moody's Rating Upgrade and its Next Bond Financing

The New York City Transitional Finance Authority (the "TFA") announced today that Moody's Investors Service upgraded the Future Tax Secured bonds of the TFA from Aa3 to Aa2, citing the "strong legal provisions" protecting bondholders and the "strength of the New York City economy".

"We are pleased that Moody's has recognized the inherent strength of the TFA credit structure" stated Mark Page, Executive Director of the TFA. This is the first upgrade from Moody's for the TFA since its creation in 1997. Standard & Poor's rates the TFA at AA, and Fitch rates the TFA at AA+.

Also today, the TFA announced a \$520 million bond financing to sell later this month. The bond sale will consist of approximately \$420 million of tax-exempt bonds sold by negotiated sale and \$100 million of variable rate bonds to price just before the closing. The pricing of the fixed-rate bonds will be on Tuesday, October 24 and the bond issue will close on Tuesday, October 31, 2000. The sale will be preceded by a retail pre-sale order period to begin Friday afternoon, October 20 and conclude on Monday afternoon, October 23. Lehman Brothers will be book-running senior manager and Bear, Stearns & Co., Inc. and Morgan Stanley Dean Witter will be co-senior managers on the fixed rate portion of the deal. Lehman Brothers will be the remarketing agent for the variable rate portion of the financing which will be priced on or about the closing date. The proceeds of this bond sale will be used to current refund the outstanding TFA Fiscal 2000 Series 3 Bond Anticipation Notes which mature on November 1. The next sale of TFA bonds is scheduled for February, 2001.