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The New York City Transitional Finance Authority Announces Standard and Poor's Rating Upgrade

The New York City Transitional Finance Authority (the "TFA") announced today that Standard and Poor's upgraded the Future Tax Secured bonds of the TFA from AA to AA+, citing "fundamental strengths and wide reaching expansion exhibited by the city's economy" as well as a "steady trend of increased coverage on the authority's covenanted maximum annual debt service costs." "With the second TFA upgrade in as many weeks, the rating agencies have recognized the City's economic growth and the TFA's inherent strength" stated Mark Page, Executive Director of the TFA. This is the first upgrade from Standard and Poor's for the TFA since its creation in 1997. Moody's recently upgraded the TFA from Aa3 to Aa2, and Fitch has affirmed the TFA rating at AA+. Beginning today, the TFA is holding the retail order period on \$420 million of tax-exempt fixed rate bonds. The retail order period will end on Monday, October 23. Final pricing will be on Tuesday, October 24 and the bond issue will close on Tuesday, October 31, 2000. Lehman Brothers is the book-running senior manager and Bear, Stearns & Co., Inc. and Morgan Stanley Dean Witter are the co-senior managers. Lehman Brothers will be the remarketing agent for an additional \$100 million of tax-exempt variable rate bonds 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.