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THE NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES \$600 MILLION BOND SALE AND \$600 MILLION BOND ANTICIPATION NOTE SALE

The New York City Transitional Finance Authority (the "TFA") announced today that it intends to sell approximately \$600 million of bonds next week. The proceeds from the bond sale will be used to permanently finance outstanding TFA bond anticipation notes (BANs). The bonds are first resolution TFA bonds, and are not related to the recovery costs of the terrorist attack on September 11.

The bond sale will consist of \$400 million in tax-exempt bonds and \$200 million of taxable bonds, scheduled to price on Wednesday, October 31, 2001. Lehman Brothers will serve as book-running senior manager on the fixed-rate portion of the bond sale, with Bear Stearns & Co. and Morgan Stanley serving as co-senior managers. There will be a two-day retail order period beginning at Noon on Monday, October 28 and concluding on Tuesday October 29.

The TFA also announced that its previously scheduled issuance of TFA first resolution BANs will be offered for competitive bidding on Wednesday November 7, 2001. Approximately \$600 million of TFA BANs are expected to be offered at that time with a maturity date on or about November 13, 2002. The proceeds of these first resolution TFA BANs will be used to fund the ongoing capital plan of the City of New York and are not related to the recovery costs of the terrorist attack on September 11.

The bond sale and the BAN sale are expected to be the final TFA issuances in calendar year 2001. The bonds and the TFA BANS are scheduled to close on or about November 14, 2001.

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