



255 Greenwich Street, 6<sup>th</sup> Floor • New York, NY 10007-2106  
Telephone: (212) 788-5877 • Fax: (212) 788-9197

RELEASE DATE: October 31, 2001

Contact: Raymond J. Orlando, Director of Investor Relations -- (646) 458-2060

## **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY FISCAL 2002 SERIES B BONDS RECEIVE STRONG INVESTOR DEMAND**

The New York City Transitional Finance Authority (the "TFA") announced today that it successfully priced its Fiscal 2002 Series B Bonds.

The tax-exempt fixed-rate new money bonds totaling \$422 million were sold on a negotiated basis through the TFA's underwriting syndicate led by book-running senior manager Lehman Brothers. Bear, Stearns & Co. Inc and Morgan Stanley served as co-senior managers on today's sale.

Institutional demand for TFA's bonds was strong and broad-based. The approximately \$310 million of bonds offered to institutions, net of retail pre-sale orders and retentions, were oversubscribed more than 2.2 times by the approximately \$682 million of priority orders from institutions. There were an additional \$425 million of member orders submitted by securities firms in the syndicate.

As a result of the strong investor demand, interest rates were reduced 01 to 06 basis points in various maturities following the institutional order period. The fixed-rate tax-exempt transaction was structured with serial maturities from 2003 through 2020, and included term bonds in 2026, 2030 and 2031. Yields (interest rates) after the repricing ranged from 2.25 percent in the 2003 maturity to 5.15 percent in the 2030 maturity. Maturities insured by MBIA were offered in 2008-9, 2011-12, 2015-2017, 2019-20 and 2031.

The sale was preceded by a two-day retail order period that opened on Monday, October 29 and concluded on Tuesday afternoon, October 30. The \$87 million of retail pre-sale orders totaled approximately 21 percent of the bonds offered.

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

The proceeds of this bond sale will be used to permanently finance previously issued TFA bond anticipation notes (BANs), the proceeds of which were used to fund the ongoing capital improvement program of New York City.