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NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES SUCCESSFUL \$1.05 BILLION REFUNDING AND CONVERSION BOND SALE

The New York City Transitional Finance Authority ("TFA") announced the successful sale of \$1.05 billion of future tax secured, fixed-rate conversion and refunding subordinate lien bonds.

The TFA sold \$450 million of tax-exempt refunding bonds, \$424 million of tax-exempt conversion bonds and \$172 million of taxable conversion bonds yesterday. The refunding bond sale was upsized from \$300 million to \$450 million due to strong investor demand. The \$596 million of conversion bonds were converted from floating rate to fixed rate.

The TFA offered \$390 million of tax-exempt refunding and conversion bonds to retail investors, and received \$406 million of retail orders. Yields on the \$450 million of tax-exempt refunding bonds with amortizations on November 1 ranged from 0.20 percent in 2012 to 3.84 percent in 2029. Yields on the \$424 million of tax-exempt conversion bonds with amortizations on February 1 ranged from 1.22 percent in 2016 through 3.97 percent in 2029.

At the final pricing after the institutional order period for the tax-exempt bonds, the TFA was able to reduce yields on a number of maturities. In the tax-exempt refunding, yields were reduced 3 to 5 basis points in 12 of the 17 individual years. In the tax-exempt conversion, yields were reduced 1 to 7 basis points in 11 of the 14 years. The conversion of \$172 million of taxable bonds was accomplished by competitive sale. J.P. Morgan won the bid with a TIC of 3.91 percent.

The TFA also intends to sell an additional \$74.6 million of tax-exempt bonds. These bonds will be converted from variable-rate demand bonds to floating-rate index bonds. The initial floating rate pricing is expected to occur on August 22, one day prior to the closing of all four bond series.

The \$874 million of tax-exempt conversion and refunding bonds were sold via negotiated sale, led by book-running senior manager J.P. Morgan. Serving as co-senior managers on the transaction were Barclays Capital, BofA Merrill Lynch, Citigroup, Goldman, Sachs & Co., and Morgan Stanley.

Standard & Poor's rates the TFA subordinate lien bonds at AAA, Fitch Ratings rates the TFA subordinate lien bonds at AAA and Moody's Investors Service rates the TFA subordinate lien bonds at Aa1.