

New York City



75 Park Place, 6th Floor • New York, NY 10007-2106
Telephone: (212) 788-5877 • Fax: (212) 788-9197

FOR IMMEDIATE RELEASE

Date: Thursday May 20, 2010

Release #-052010

Contact: Raymond J. Orlando, Director of Media & Investor Relations, Mayor's Office of Management and Budget	212-788-5875
Alan Anders, Executive Director, New York City Transitional Finance Authority	212-788-5872
Sharon Lee, Press Secretary, New York City Comptroller's Office	646-879-3289
Carol Kostik, Deputy Comptroller for Public Finance, New York City Comptroller's Office	212-669-8334

**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES
SUCCESSFUL \$1.14 BILLION NEW MONEY AND REFUNDING SUBORDINATE
LIEN BOND SALE, INCLUDING ITS FIRST SALE OF
QUALIFIED SCHOOL CONSTRUCTION BONDS**

The New York City Transitional Finance Authority ("TFA") announced today the successful sale of \$1.14 billion new money and refunding subordinate lien bonds.

On Tuesday, May 17, 2010, the TFA priced \$342 million of new money taxable Build America Bonds and \$250 million of new money Build America Bond-Qualified School Construction Bonds (QSCBs). Both issues were sold by negotiated sale using the TFA's underwriting syndicate, led by book-running senior manager BofA Merrill Lynch, with Barclays Capital, Citi, Goldman Sachs & Co., J. P. Morgan and Morgan Stanley serving as co-senior managers. Yields on the \$342 million of BABs ranged from 2.662% in 2014 to 5.467% in 2040. The TFA also sold an additional \$78 million of BABs as a limited offering to the New York State Division of the Lottery at a yield of 5.467% in the 2040 maturity. It is expected that the State will hold these bonds in a long-term structured portfolio to pay certain obligations of the New York State Division of the Lottery. The QSCBs were in a single maturity, 2027, and were priced at 5.267%.

The TFA used the same underwriting group led by BofA Merrill Lynch to sell \$380 million of subordinate lien refunding bonds. Yields on the \$380 million of tax-exempt refunding bonds ranged from 0.3% in 2010 to 3.88% in 2027.

The TFA also sold \$20 million of taxable refunding bonds sold through competitive sale. The competitive sale of the \$20 million of taxable refunding bonds was won by Wells Fargo at a TIC of 0.62%. The TFA also sold \$70 million of traditional municipal taxable new money bonds by competitive sale which was won by Wells Fargo at a TIC of 2.195%.

The TFA is also planning to sell \$250 million of new money floating rate bonds. The bonds will be priced on or about the closing date, June 4, 2010.

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.