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**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES
SUCCESSFUL SALE OF \$758 MILLION OF CONVERSION AND REFUNDING BONDS**

The New York City Transitional Finance Authority ("TFA") announced today the successful sale of \$758 million of future tax-secured fixed-rate subordinate bonds. The TFA sold \$508 million of tax-exempt conversion bonds, and \$250 million of tax-exempt refunding bonds.

The TFA offered \$348 million of conversion bonds to retail investors on Tuesday, October 11, 2011, and received \$171 million of retail orders. At the final pricing after the institutional order period, the TFA was able to reduce yields on a number of maturities. Yields were reduced by 9 basis points in the 2012 maturity and by 1-to-5 basis points in the 2018-2025 maturities. Final yields on the bonds ranged from 0.31% in the 2012 maturity to 4.10% in the 2031 maturity.

The bonds were sold via negotiated sale, led by book-running senior manager BofA Merrill Lynch. Serving as co-senior managers on the transaction were Barclays Capital, Citigroup, Goldman, Sachs & Co., J.P. Morgan 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.