

FY 2005 ESCROW SECURITIZATION CORPORATION

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FOR IMMEDIATE RELEASE

Date: Friday, December 14, 2007

Release#121407

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**FY2005 SECURITIZATION CORPORATION ANNOUNCES REVIEW AND REVISION OF
INVESTMENT PROCEDURES AND NO EXPOSURE TO SUBPRIME MORTGAGE
PROBLEMS**

FY2005 Securitization Corporation ("FY05SC") has completed a review of its investments and announced today that it does not have investments in subprime mortgages, asset-backed commercial paper and special investment vehicles or any other related financial instruments. FY05SC has instituted several revised procedures to ensure that FY05SC will not have exposure to these investments which have been under scrutiny in recent months as a result of the subprime mortgage crisis.

FY05SC does not currently utilize outside investment managers and does not invest in state and local government investment pools.

FY05SC does not have a debt service reserve fund. Its invested funds consist of debt service funds and operating funds.

Investments are made pursuant to FY05SC's bond indenture and investment guidelines approved by the FY05SC Board of Directors. These investment guidelines and the bond indenture are posted on FY05SC's web site, which can be found at:
<http://www.nyc.gov/html/FY05SC/html/documents.html>.

FY05SC has issued written instructions to its trustee that, until further notice, all new or rollover investments in commercial paper and finance paper, in addition to meeting other minimum requirements of the investment guidelines, including minimum ratings of A-1 + by Standard & Poor's and P-1 by Moody's Investors Services, may not be investments in asset-backed commercial paper. The additional written instructions also stated that investments in direct obligations of, or obligations guaranteed as to timely payment of principal and interest by the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Federal Farm Credit System, must be rated triple-A by both Moody's Investors Service and Standard & Poor's.

FY05SC's staff will continue to monitor and assess the risks associated with the different types of investments the FY05SC is permitted to make under its indenture and investment guidelines. If the FY05SC determines that circumstances warrant a change in these written investment instructions, it expects to announce that change in a subsequent press announcement which will also be posted on the FY05SC web site.

As of December 13, 2007, FY05SC had approximately \$231 million of invested funds, of which \$230 million was invested in U.S. Treasury STRIPs, and less than \$1 million was invested in AAA-rated discount notes of Government Sponsored Entities.