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**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES
REDEMPTION AND DEFEASANCE OF DEBT OBLIGATIONS**

New York City Transitional Finance Authority (the "TFA") announced today its planned redemption and defeasance of certain debt scheduled to mature in Fiscal Years 2009 and 2010.

The budget adopted by the New York City Council for Fiscal Year 2008 included a grant to the TFA for the purpose of defeasing and redeeming debt. The TFA expects to receive the funds from New York City prior to June 30, 2007. The TFA will use the grant funds provided by New York City to redeem approximately \$170 million of tax-exempt variable-rate bonds, and to defease approximately \$537 million of taxable and tax-exempt fixed-rate bonds. The list of bonds to be redeemed and defeased, together with the applicable redemption dates, is attached. The defeasance will occur upon receipt of funds from New York City, which is expected to occur on June 28, 2007.

Standard and Poor's rates the TFA Future Tax Secured Bonds at AAA, Fitch Ratings rates the TFA Future Tax Secured Bonds at AA+. Standard and Poor's and Fitch Ratings rate the TFA's Future Tax Secured Subordinate Bonds at the same level as the Senior Bonds. Moody's Investors Service rates the TFA Future Tax Secured Senior Bonds at Aa1 and Subordinate Bonds at Aa2.