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## **NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES SUCCESSFUL \$650 MILLION NEW MONEY BUILDING AID REVENUE BOND SALE**

The New York City Transitional Finance Authority ("TFA") announced the successful sale of \$650 million of new money Building Aid Revenue Bonds ("BARBs"). The sale included \$550 million of fixed-rate tax-exempt BARBs and \$100 million of taxable Qualified School Construction Bond ("QSCB") BARBs.

The \$550 million of tax-exempt BARBs were sold by negotiated sale using the TFA's underwriting syndicate, led by book-running senior manager Morgan Stanley with Barclays Capital, BofA Merrill Lynch, Citigroup, Goldman, Sachs & Co., and J.P. Morgan serving as co-senior managers. The TFA received \$266 million of retail orders during the two-day retail order period which began on Monday, December 5, 2011. Due to strong market demand, the institutional order period was accelerated to yesterday during which the TFA received \$676 million of priority orders for the remaining \$351 million of bonds offered to institutions. At final pricing, yields on nine of the longer maturities were reduced by 2 basis points. Final yields on the tax-exempt bonds ranged from 0.38% in the 2013 maturity (which was sold via sealed bid) to 4.50% in the 2041 maturity.

The TFA also sold \$100 million QSCB BARBs via competitive sale. There were nine bids and the winning bidder was Morgan Stanley with a True Interest Cost of 4.799%. The QSCB BARBs has a single term maturity in 2030.

The proceeds of the sale will be used to finance the ongoing capital improvement program of the New York City Department of Education.

Moody's Investors Service rates the outstanding TFA BARBs at Aa3, Standard and Poor's rates the outstanding TFA BARBs at AA- and Fitch Ratings rates the outstanding TFA BARBs at AA-.