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NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES REVIEW AND REVISION OF INVESTMENT PROCEDURES AND NO EXPOSURE TO SUBPRIME MORTGAGE PROBLEMS

The New York City Transitional Finance Authority ("TFA") 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. The TFA has instituted several revised procedures to ensure that the TFA will not have exposure to these investments which have been under scrutiny in recent months as a result of the subprime mortgage crisis.

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

The TFA does not have a debt service reserve fund. Its invested funds consist of debt service funds, operating funds and unexpended bond proceeds.

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

The TFA 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.

The TFA's staff will continue to monitor and assess the risks associated with the different types of investments the TFA is permitted to make under its indenture and investment guidelines. If the TFA 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 TFA web site.

As of December 13, 2007, the TFA had approximately \$552 million of invested funds. The debt service fund contains approximately \$371 million consisting primarily of AAA rated discount notes of Government Sponsored Entities (GSEs) including Federal Home Loan Bank, Federal National Mortgage Association, and Federal Home Loan Mortgage Corporation as well as a small investment (\$4.8 million) in State & Local Government Series (SLGs) securities issued by the U.S. Treasury carrying the full faith and credit pledge of the U.S. government. The unexpended bond proceeds of \$180 million of which \$146 million are invested in commercial paper rated A-1+ and P-1, none of which is asset backed, and the remaining \$34 million are invested in GSE discount notes. TFA operating funds of \$1 million are also invested in GSE discount notes.