

New York City



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**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY
ANNOUNCES SUCCESSFUL SALE OF
\$1.2 BILLION FUTURE IN TAX SECURED SUBORDINATE BONDS**
*Debt Service Savings Totaling Over \$255 Million in Fiscal Years 2021 and
2022*

The New York City Transitional Finance Authority (“TFA”) announced the successful sale of approximately \$1.2 billion in future tax secured subordinate bonds, comprised of just over \$1.0 billion of tax-exempt fixed rate bonds and about \$228 million of taxable fixed rate bonds.

The refunding achieves over \$255 million in total debt service savings, with approximately \$23 million and \$232 million of debt service savings in Fiscal Years 2021 and 2022, respectively. Refunding savings on a present value basis are nearly \$247 million or 17.1% of the refunded par amount.

During the retail order period for the tax-exempt bonds, TFA received \$593 million of orders from retail investors, of which \$564 million was usable. The institutional order period garnered approximately \$2.1 billion of priority orders, representing 4.7x the bonds offered for sale to institutional investors.

Given the strong demand, yields were reduced by 2-3 basis points for maturities in 2023 through 2027, and 1-7 basis points for maturities 2030 through 2037. Final yields ranged from 0.10% in 2021 to 2.02% for the 4% bond maturing in 2038.

The tax-exempt bonds were underwritten through TFA’s underwriting syndicate led by book-running lead manager Ramirez & Co., with BofA Securities, and Citigroup serving as co-senior managers.

The TFA also sold \$228 million of taxable fixed rate bonds in two competitive bids. The first bid of approximately \$159 million of bonds maturing 2022 through 2026 attracted 11 bidders, with J.P. Morgan Securities winning at a true interest cost of 0.508%. The second bid for about \$69 million of bonds maturing in 2032 through 2036 attracted 13 bidders, with BNY Mellon Capital Markets winning at a true interest cost of 2.546%.

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