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**NEW YORK CITY TRANSITIONAL FINANCE AUTHORITY ANNOUNCES
\$1 BILLION RECOVERY BAN SALE**

The New York City Transitional Finance Authority (the "TFA") announced today that it intends to sell approximately \$1 billion of bond anticipation notes (BANs) next week. The proceeds from the note sale will be used to fund recovery costs associated with the terrorist attack on New York City on September 11, 2001.

The BAN sale will consist of \$1 billion in tax-exempt fixed rate notes. The notes will be sold by competitive sale, through the Thomson Parity system on Wednesday, August 1, 2001. Bids will be due at 11 AM. The BANs will mature at the end of April, prior to which there will be a closing on a TFA bond issue which will permanently finance the TFA BANs.

The City expects to receive significant funding from the federal government for expenses related to the terrorist attack on September 11, 2001. Congress has appropriated approximately \$40 billion, of which approximately \$20 billion is earmarked for costs in the City, as well as Virginia and Pennsylvania, related to the terrorist attack. In addition, the City has received additional borrowing capacity from the State Legislature for the TFA in the amount of \$2.5 billion to pay costs relating to the terrorist attack, and legal authorization to issue debt without limitation as to amount payable solely from future aid relating to costs arising from the terrorist attack.

Moody's Investors Service rates the TFA at Aa2, Standard & Poor's rates the TFA at AA+, and Fitch, Inc. rates the TFA at AA+.