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Fitch to Upgrade NYC Muni Water & Sewer Series 2010CC Rating to 'F1+'

Fitch Ratings-New York/Chicago-12 January 2023: On the effective date of Jan. 19, 2023, Fitch Ratings will upgrade to 'F1+' from 'F1' the short-term rating assigned to the \$200,000,000 New York City Municipal Water Finance Authority Water and Sewer System Second General Resolution Revenue Bonds, Adjustable Rate Fiscal 2010 Series CC. The rating action is in connection with the substitution of the liquidity support currently provided by Barclays Bank plc (Barclays, A/F1/Stable), in the form of a standby bond purchase agreement (SBPA), with a substitute SBPA to be provided by State Street Bank and Trust Company (State Street, AA/F1+/Stable).

KEY RATING DRIVERS

On the effective date, the short-term rating will be based on the liquidity support provided by State Street in the form of a substitute SBPA.

The substitute SBPA provides for the payment of the principal component of purchase price plus an amount equal to 35 days of interest calculated at a maximum rate of 9%, based on a year of 365 days for tendered bonds during the daily, weekly or two-day rate mode in the event that the proceeds of a remarketing of the bonds are insufficient to pay the purchase price following an optional or mandatory tender. The substitute SBPA will expire on Jan. 19, 2028, the stated expiration date, unless such date is extended; upon conversion to a mode other than a daily, weekly or two-day rate mode; or upon the occurrence of certain other events of default which result in a mandatory tender or other termination events related to the credit of the issuer which result in an automatic and immediate termination. The remarketing agent for the bonds is TD Securities.

The current long-term 'AA+', Stable Outlook rating continues to be based on the underlying rating assigned to the bonds. For more information on the long-term rating, see the press release "Fitch Rates New York City Muni Water Fin Auth's Water and Sewer Revs 'AA+'; Outlook Stable", dated Dec. 8, 2022, available on Fitch's website at www.fitchratings.com.

RATING SENSITIVITIES

Factors that could, individually or collectively, lead to positive rating action/upgrade:

-The short-term rating assigned to the bonds is in the highest rating category and cannot be upgraded.

Factors that could, individually or collectively, lead to negative rating action/downgrade:

-The short-term rating assigned to the bonds will be adjusted downward in conjunction with the short-term rating of the bank providing the SBPA and in some cases the long-term rating of the issuer.

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Additional information is available on www.fitchratings.com

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