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New York City Transitional Finance Authority Announces Successful Sale of $1.8 Billion Future Tax Secured Subordinate Bonds

The New York City Transitional Finance Authority (“TFA”) announced the successful sale of $1.8 billion of future tax secured subordinate bonds, comprised of $1.5 billion of tax-exempt fixed rate bonds and $300 million of taxable fixed rate bonds.

Proceeds from the sale will be used to fund capital projects.

For the tax-exempt bonds, TFA received nearly $591 million of orders during the retail order period and $5.9 billion of priority orders during the institutional order period, which in total represents 4.3x the amount offered for sale.

Due to investor demand for the tax-exempt bonds, yields were reduced by up to 7 basis points relative to the start of the institutional order period. Final yields ranged from 2.30% to 4.62%.

The tax-exempt bonds were underwritten through TFA’s underwriting syndicate led by book-running lead manager Ramirez & Co., Inc., with BofA Securities, Jefferies, J.P. Morgan, Loop Capital Markets, RBC Capital Markets, Siebert Williams Shank, and Wells Fargo Securities serving as co-senior managers.

TFA also sold $300 million of taxable fixed rate bonds via competitive bid. The bid attracted 10 bidders, with Morgan Stanley winning at a true interest cost of 4.47%.

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