30 June 1988

Board of Directors

Robert C. Weaver, Chairman
Administration Committee

1989 Operating Budget

The Administration Committee has reviewed the proposed operating budget of the Corporation for the fiscal year ending June 30, 1989, and recommends its adoption at the next meeting of the Board of Directors.

An overview of the proposed budget in comparison with preceding year figures is attached. The table below provides a summary:

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 1988 Budget</th>
<th>Fiscal Year 1989 Budget</th>
<th>Percentage Change ($ Millions)</th>
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</thead>
<tbody>
<tr>
<td>MAC Operations</td>
<td>$3.963</td>
<td>$3.702</td>
<td>-6.6%</td>
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<td>Oversight Agency (FCB)</td>
<td>1.901</td>
<td>1.976</td>
<td>4.0</td>
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<td><strong>Total</strong></td>
<td><strong>$5.846</strong></td>
<td><strong>$5.678</strong></td>
<td><strong>-3.2%</strong></td>
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The proposed budget for fiscal year 1989 represents the third successive annual reduction. The overall proposed budget declines 3.2% from this year. The 1989 budget proposed for the Corporation's own operations declines by 6.6%, and is approximately 33% less than budgeted for our operations three years ago.

Actual expenditures incurred during the current fiscal year ending June 30, 1988 are projected to total approximately $5.4 million -- 8% below this year's budgeted total. Actual expenditures for the portion of the overall budget attributable to the Corporation's own operations for 1988 are projected at about $3.5 million -- 12% below budget. The savings this year have resulted in large part from lower costs produced by competitive processes in the areas of notice publication, financial printing and data processing, which are anticipated to recur in fiscal 1989. The areas of the 1989 budget showing some offsetting increases from this year are banking activities, payroll services and office rent.
Debt Issuance

The fiscal 1989 Debt Issuance budget, premised on four negotiated sales during the coming year, is approximately 19% less than this category in 1988. The projected cost of Financial Printing for the next year reflects the lower fee schedule resulting from our most recent periodic competitive selection process. The 1989 budget assumes Rating Agency fees will be maintained at current levels. During this fiscal year, the Corporation obtained a modest price concession from Moody's Investors Service after petitioning the agency for lower fees. The Corporation is also realizing savings of approximately $5,000 annually for advance refunding defeasance verification services as a result of another round of competition.

Debt Administration

The Debt Administration category for next year is budgeted at approximately 13% below this year's level, comprised of a rise in one area and declines in the other two areas. The United States Trust Company of New York has proposed fee increases for its Trustee and related banking services, which have not been raised for five years. Inasmuch as those fees are now under review by the staff, the budget provision for a 19% increase reflects a conservative assumption of the impact of the current negotiations on next year's expenses. The Paying Agent category covers bearer bonds and is difficult to quantify in advance because bondholder presentments become increasingly erratic and unpredictable as bonds age. The cost trend ought to be clearly downward, however, and is budgeted at 42% below this year. In the Public Notices item, down by 12%, the major expenses are the July and February sinking fund redemption advertisements. The competition this year for producing and placing these notices is expected to yield additional savings next year of approximately $100,000 despite the increase in the sinking fund requirement from July 1988 to July 1989.

Legal Services

The Legal Services budget for next year is proposed at the same levels as the current year. The overrun in the current year for Trustee Counsel was caused by billing and payment for unbilled work from prior years.
30 June 1988  
Board of Directors  
Page 3  

Investment Management

Investment Management is shown at a budget reduction of about 23%. The major expense of this category is the fee for our Investment Advisor which remains fixed at a reduced level under our current contract until June 30, 1989. The other expense item of this category, transaction costs, is expected to remain at the same level.

Accounting

The Accounting budget is unchanged from 1988 to 1989. This year, spending for Accounting Services was less than budget by $15,000 because no special accounting projects were undertaken during the year. The budget for next year assumes the same costs for financial statement preparation by the independent auditors, and $15,000 is also budgeted for special services required to prepare investment reports for the State Comptroller.

General Administration

Overall, this category is budgeted to increase by 2.6%. Payroll Services for next year is proposed at an overall level 4.6% above this year, including provision for an increase of 5.7% in salary expenses. Although the current year payroll expenditure was approximately $24,000 below the 1988 budget, this is attributable to the absence of an employee on maternity leave; the salary for that position is included in the 1989 budget. Next year's budget also reflects the costs of the dental and disability insurance policies purchased during the latter part of the current year, at a combined additional annual cost of approximately $8,000. The Data Processing operation is decreased for next year by about 33%, primarily as a result of reduction in maintenance contracts through competition -- to a level that is approximately one-fifth of its cost two years ago. Data Processing expenditures in 1988 were approximately $15,000 below budget as a result of greater savings than expected from the new computer operations. The Report Production budget has not changed significantly in two years. The small Office Materials item is raised by $2,000 for next year.

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<td>45,500</td>
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<td>496,000</td>
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<td>400,000</td>
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<td>273,100</td>
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<td></td>
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<td></td>
<td></td>
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<td></td>
<td>60,000</td>
<td>46,000</td>
<td>46,000</td>
<td>-23.3%</td>
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<td>19,000</td>
<td>25,100</td>
<td>21,000</td>
<td>10.5%</td>
</tr>
<tr>
<td></td>
<td>1,519,000</td>
<td>1,410,600</td>
<td>1,559,200</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total Mac Operations</strong></td>
<td>3,963,000</td>
<td>$3,494,800</td>
<td>$3,701,700</td>
<td>-6.6%</td>
</tr>
<tr>
<td><strong>Oversight Agency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Control Board</td>
<td>1,901,000</td>
<td>1,901,000</td>
<td>1,976,500</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td>5,864,000</td>
<td>$5,395,800</td>
<td>5,678,200</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

6-30-88
Date: 30 June 1988

To: Beatrice Gilling Raynor

From: Stephen J. Weinstein

Re: Steven C. Markbreiter

This memorandum is to authorize and direct you to adjust the Corporation's payroll to reflect an increase in the salary of Mr. Steven C. Markbreiter, Assistant Counsel on our staff.

Mr. Markbreiter began his employment in that position in March 1986. He has now reached a stage in his professional development where he is able to make constructive contributions to the work of the Corporation on a continual basis. During the past six months, he has demonstrated a high level of productivity, marked by diligence, initiative, responsibility and cooperation, combined with a consistently excellent work product in both the Corporation's financing and oversight activities.

Mr. Markbreiter's salary is increased from $40,000 to $46,000 annually, effective today, June 30, 1988. Please make this adjustment for inclusion on the payroll for July 13, 1988, the end of the first pay period of our 1989 fiscal year.

cc: Steven C. Markbreiter, Esq.
29 June 1988

Mr. Philip A. Rubenstein
3967 Sedgwick Avenue, Apt. 13-G
Bronx, New York 10463

Dear Mr. Rubenstein:

This is in response to your letter of May 30, 1988, in which you inquired as to the notice of redemption of your 1976 Series CC Bond.

Neither the Corporation nor the United States Trust Company is able to compensate you for your loss of interest. U.S. Trust has fulfilled its responsibilities as to notification of early redemption of the 1976 Series CC Bonds, as contained in the Corporation's General Bond Resolution dated July 2, 1975, and the 1976 Series CC Resolution, pursuant to which the 1976 Series CC Bonds were issued. In accordance with the procedures outlined in these Resolutions, U.S. Trust printed a timely notice of redemption in The Wall Street Journal in two successive weeks and sent a copy of such notice to all registered holders of Series CC Bonds. This notice expressly stated that all outstanding 1976 Series CC Bonds not previously called for redemption were to be redeemed on February 1, 1988.

We regret that this notice of redemption seems to have caused you some confusion. I would recommend that, in the future, if you have questions as to the contents of a redemption notice, you contact the Corporation or the Trust Company.

If you have any further questions on this matter, please feel free to contact me.

Sincerely,

Steven Markbreiter
Assistant Counsel

aa:103
Philip A. Hadenstein
3401 1st Ave
New York, NY 10021
(212) 543-4458
May 30, 1988

Municipal Assistance Corp. for the City of N.Y.
1 World Trade Center
New York City, NY 10047

This is a complaint against your
banking agent, U.S. Trust Co., for their handling
of our MAC bond redemption.

The matter is described in my letter
to U.S. Trust Co. A copy of that letter
is attached. Also, a copy of U.S. Trust's
denied my complaint.

Please review this carefully and
respond to my complaint.

Thank you for your attention and consideration.

Philip A. Hadenstein
Dear Mr. Lawlor:

This is a complaint about the failure to adequately notify me to bring in my $10,000 MAC bond for redemption as of Feb. 6, 1988. As part of this complaint I am asking to be compensated for loss of interest on $10,100 (the amount paid for the bond's redemption) from Feb. 1, 1988, to April 29, 1988, the date I received the $10,100. That amount of money in a CD account could have been earning 7.5% at the Williamsbridge Savings Bank or several other banks. The loss to me was thus about $250.

When I purchased registered MAC bonds several times before this, I was told that the Municipal Assistance Corp. would notify me individually and in advance whenever any MAC bond that I owned come to be redeemed. I was told this directly at the offices of the Municipal Assistance Corp. at 1 World Trade Center by a member.
of their staff. And that promise was verified in practice on two earlier occasions. I received individual letters giving me advance notice of bond redemption with instructions on how to proceed in turning in the bonds. A photo copy of such a notification is enclosed.

This time, all I received was a large printed general announcement listing more bonds other than mine. There was no notice regarding my own bonds. About optional redemption of outstanding 1976 series CC bonds.

From this notice, I was not informed in bond dealing would conclude that my bond captioned "CCR-1499" was included. The caption CCR is not correct. The individual bond number was not listed. Above all, I received an individually addressed notice.

Under these circumstances, there seemed no need for any action. On April 2, 1988, I received a telephone call telling me about the redemption and when to bring my bond. I brought the bond to your office April 19 and got your payment on April 29, 1988.

Please review my complaint and my request to be compensated for my $25,000 loss. I will need your reply.

Thank you for your help.

Sincerely,
Date: 29 June 1988

To: Beatrice Gilling Raynor

From: Stephen J. Weinstein

Re: Vacation Exchange

I am requesting payment on July 13, 1988, the first pay day of the Corporation's 1989 fiscal year, in exchange for accrued and unused annual leave in the amount of 112.5 hours, or three weeks, in accordance with established office procedures.

As recently instructed by the State Retirement System, this payment should not be reported to them as salary and no membership contribution should be deducted.

Please prepare this as three separate checks, each covering 37.5 hours.
Date: 29 June 1988
To: Staff
From: Executive Director
Re: Footnote to History

A little known fact is that the Declaration of Independence was actually ready for signature on July 1, 1776, but that the local photocopying machine was down for the day. Hence, the inevitable wait for the service call, and a three-day delay to the Fourth of July for the proclamation of separation of the American Colonies from England.

In recognition of that reality, the Corporation's copier will be closed down on Friday the First, along with the rest of the office, for a festive four-day holiday weekend.

cc: Library of Congress
Date: 27 June 1988
To: Administration Committee
From: Stephen J. Weinstein and Quentin B. Spector
Re: 1989 Operating Budget

Attached for your review is the proposed operating budget of the Corporation for the fiscal year ending June 30, 1989. The table below provides an overview:

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<thead>
<tr>
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More than half of the Office Services budget is comprised of rental expenses. For 1989, a major increase is included because the Corporation's current office lease expires on December 31, 1988. While the staff is now negotiating a new agreement with the Port Authority with terms as favorable as possible, the prospective rental rate starting in January 1989 will inevitably increase substantially from the present level set ten years ago in a very different office market. To accommodate this change, the 1989 budget item for Office Rental is raised by $77,000 from this year's expenditure, reflecting the expected rent increase for the second half of the year.

**Oversight Agency**

The State Financial Control Board's expenses are still fully paid by the Corporation, although the State of New York assumed the costs of the State Special Deputy Comptroller's operations beginning last year. The Control Board has increased its budget by 4% over the current year to a level of $1,976,500 for fiscal 1989.

ba:104
## MUNICIPAL ASSISTANCE CORPORATION
### Comparative Budget Review

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<td><strong>Oversight Agency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Control Board</td>
<td>1,901,000</td>
<td>1,901,000</td>
<td>1,976,500</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET</strong></td>
<td>5,864,000</td>
<td>$5,395,800</td>
<td>5,678,200</td>
<td>-3.2%</td>
</tr>
<tr>
<td>-------------------------</td>
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<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td>Debt Issuance Printing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-51402 Financial Printing</td>
<td>$220,000</td>
<td>$128,000</td>
<td>$160,000</td>
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<tr>
<td>2-51502 Binding</td>
<td>3,000</td>
<td>2,000</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>2-51502 Bond Printing</td>
<td>48,000</td>
<td>44,100</td>
<td>72,000</td>
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<tr>
<td></td>
<td>$271,000</td>
<td>$174,100</td>
<td>$235,000</td>
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<tr>
<td>Ratings</td>
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<tr>
<td>2-51602 Fitch</td>
<td>$20,000</td>
<td>$30,000</td>
<td>$30,000</td>
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<tr>
<td>2-51602 Moody's</td>
<td>95,000</td>
<td>45,000</td>
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<tr>
<td>2-51602 Standard &amp; Poor's</td>
<td>30,000</td>
<td>41,000</td>
<td>40,000</td>
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<tr>
<td></td>
<td>$145,000</td>
<td>$116,000</td>
<td>$115,000</td>
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<tr>
<td>Other</td>
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<tr>
<td>2-51702 Trustee Services</td>
<td>$70,000</td>
<td>$41,000</td>
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<td>2-51702 Defeasance Verification</td>
<td>10,000</td>
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<td>$80,000</td>
<td>$45,500</td>
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<td>Total Debt Issuance</td>
<td>$496,000</td>
<td>$335,600</td>
<td>$400,000</td>
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<tr>
<td>Debt Administration</td>
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<tr>
<td>2-53002 Trustee Services.</td>
<td>$400,000</td>
<td>$429,500</td>
<td>$475,000</td>
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<tr>
<td>Paying Agent</td>
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<tr>
<td>2-53202 Chase</td>
<td>33,000</td>
<td>33,000</td>
<td>35,000</td>
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<td>2-53202 Citibank</td>
<td>190,000</td>
<td>140,000</td>
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<td>2-53202 US Trust</td>
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<td>111,500</td>
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<td>2-53202 Bank of New York</td>
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<td>100</td>
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<td></td>
<td>$458,000</td>
<td>$273,100</td>
<td>$266,500</td>
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<td>2-53102 Public Notices</td>
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<td>$610,000</td>
<td>$550,000</td>
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<td>Total Debt Administration</td>
<td>$1,483,000</td>
<td>$1,312,600</td>
<td>$1,291,500</td>
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<tr>
<td>-----------</td>
<td>--------------------------</td>
<td>-----------------------------</td>
<td>-----------------------------------</td>
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<tr>
<td>Report Production</td>
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<tr>
<td>2-56102</td>
<td>Advertising</td>
<td>$13,000</td>
<td>$13,000</td>
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<tr>
<td>2-56102</td>
<td>Printing</td>
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<td>88,000</td>
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<td>2-56102</td>
<td>Design &amp; Typography</td>
<td>70,000</td>
<td>70,500</td>
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<tr>
<td>2-56202</td>
<td>Distribution</td>
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<td>7,000</td>
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<td>General Administration</td>
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<td>Office Services</td>
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<tr>
<td>2-59402</td>
<td>Office Rental</td>
<td>$165,000</td>
<td>$133,000</td>
<td>$210,000</td>
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<tr>
<td>2-59502</td>
<td>Equip Rental &amp; Maint</td>
<td>55,000</td>
<td>50,000</td>
<td>55,000</td>
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<tr>
<td>2-59302</td>
<td>Insurance</td>
<td>8,000</td>
<td>8,000</td>
<td>9,000</td>
</tr>
<tr>
<td>2-59702</td>
<td>Telephone &amp; Postage</td>
<td>25,000</td>
<td>18,700</td>
<td>25,000</td>
</tr>
<tr>
<td>2-59802</td>
<td>Delivery</td>
<td>15,000</td>
<td>8,400</td>
<td>15,000</td>
</tr>
<tr>
<td>2-59902</td>
<td>Conference Fees</td>
<td>10,000</td>
<td>10,800</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>Travel &amp; Business Exp</td>
<td>20,000</td>
<td>0</td>
<td>0</td>
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<tr>
<td>2-58002</td>
<td>Consultants</td>
<td>20,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>2-58302</td>
<td>Recruitment</td>
<td>20,000</td>
<td>0</td>
<td>10,000</td>
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<tr>
<td>Office Materials</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-59002</td>
<td>Office Supplies</td>
<td>$7,000</td>
<td>$7,000</td>
<td>$7,000</td>
</tr>
<tr>
<td>2-59102</td>
<td>Books &amp; Periodicals</td>
<td>6,000</td>
<td>6,500</td>
<td>6,000</td>
</tr>
<tr>
<td>2-59602</td>
<td>Misc. Office Equip</td>
<td>6,000</td>
<td>7,600</td>
<td>6,000</td>
</tr>
<tr>
<td>0-00000</td>
<td>Office Furnishings</td>
<td>0</td>
<td>4,000</td>
<td>2,000</td>
</tr>
</tbody>
</table>

| Total General Administration | $1,519,000 | $1,410,600 | $1,559,200 |
| Total Corporation Operations | $3,963,000 | $3,494,800 | $3,701,700 |
| Oversight Agencies |                           |                             |                                   |                             |
| 2-54102   | FCB                      | $1,901,000                 | $1,901,000                        | $1,976,500                 |
| 2-54002   | OSGC                     | 0                          | 0                                 | 0                           |
| Total Oversight Agencies | $1,901,000 | $1,901,000 | $1,976,500 |
| Total Budget | $5,864,000 | $5,395,800 | $5,678,200 |
Section 2879 of the Public Authorities Law of the State of New York requires that the Corporation annually prepare and approve a report on its personal services contracts for the year. The Corporation's Personal Services Contract Guidelines, adopted pursuant to this statute, specify the annual report is to be submitted to the New York State Division of the Budget, and copies are to be sent to New York State Department of Audit and Control, and the Senate Finance Committee and the Assembly Ways and Means Committee of the State of New York. It is mandated that the annual report include:

(1) The Corporation's Personal Services Contract Guidelines (Appendix A);

(2) An explanation of the Guidelines and any amendments made during the year; and

(3) A list of the personal services contractors performing services during the year together with the amounts paid to such contractors (Appendix B).
In addition, the Corporation's Guidelines provide that the Executive Director prepare and deliver to the Board of Directors quarterly reports on the status of the Corporation's personal services contracts; the reports covering the quarters ending September 30, 1987, December 31, 1987, March 31, 1988 and June 30, 1988 have been included as Appendices C, D, E and F, respectively.

Pursuant to Section 2879, the Corporation adopted Personal Service Contract Guidelines, effective as of January 1, 1984. The purpose of these guidelines is to detail the Corporation's policies and procedures regarding the use, awarding, monitoring and reporting of personal services contracts. For the purposes of these Guidelines, a personal services contract is defined as "an agreement for a person or persons who are not providing such service as officers or employees of the Corporation or of any other public corporation or agency of the State of New York to provide to the Corporation a service including but not limited to the performance of legal, accounting, management consulting, investment banking, planning, training, statistical, research, public relations, architectural, engineering, surveying or other personal services of a consulting, professional or technical nature for a fee, commission or other compensation."
The Guidelines are reviewed periodically by the Corporation's Administration Committee. There have been no amendments to the Guidelines during the fiscal year ending June 30, 1988.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

PERSONAL SERVICES CONTRACT GUIDELINES

As Amended June 29, 1984

I. Purpose

A. Adoption. These Guidelines are adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York, effective as of January 1, 1984, pursuant to Section 2879 of the Public Authorities Law of the State of New York.

B. Scope. These Guidelines specify the policies and procedures relating to the use, selection, monitoring and reporting of contracts to provide personal services to the Municipal Assistance Corporation entered into on or after January 1, 1984. For purposes of these Guidelines, a personal services contract is an agreement for a person or persons who are not providing such service as officers or employees of the Corporation or of any other public corporation or agency of the State of New York to provide to the Corporation a service including but not limited to the performance of legal, accounting, management consulting, investment banking, planning, training, statistical, research, public relations, architectural, engineering, surveying or other personal services of a consulting, professional or technical nature for a fee, commission or other compensation.

C. Review and Amendment. These Guidelines shall be reviewed and approved by the Board of Directors annually and may be amended by the Board of Directors from time to time.
II. Use and Selection

A. Use

1. Primary ongoing functions of the Corporation are to be performed by employees of the Corporation to the greatest extent possible.

2. Certain services, however, are to be provided on a regular basis by outside firms possessing special expertise, experience or resources, including those services specified in Section II(B)(2)(d) of these Guidelines and such other services as may be determined by the Board of Directors from time to time.

3. Additionally, personal services contracts may be used upon determination by the Executive Director, taking into account such factors as the short-term or infrequent need for the services, the nature of the services to be rendered, and their costs, that it is substantially more beneficial for such services to be contracted for than performed by employees of the Corporation.

B. Selection

1. Contractors shall be selected on a competitive basis except when competition is not required by these Guidelines. When competition is required, price quotations shall be requested by letter or telephone and the contractor, if any, selected from among those submitting quotations. The Executive Director or Deputy Executive Director shall select personal services contractors following evaluation of quotations received, giving strong consideration to the respective price quotations, but also considering the experience, capabilities and reputations of each of the firms and other relevant priorities or policies, in order to best satisfy the needs of the Corporation in the circumstances.
2. Selection of contractors for personal services contracts on a competitive basis shall not be required in the following instances:

a. When the services are obtainable from one source only;

b. When the exigencies of time or other circumstances make competition impracticable or inappropriate;

c. When the provider of the services has unique qualifications to provide a particular service at a particular time;

d. Legal, accounting, financial advisory, investment advisory, underwriting, banking, credit and trustee and related custodian services;

e. When the cost of the services is not expected to exceed $3,000; and

f. In such other instances as may be determined by the Board of Directors from time to time.

III. Procedures

A. Authorization

1. The Board of Directors shall annually review and authorize all fee arrangements with the firms providing the services specified in Section II(B)(2)(d) of these Guidelines.

2. The Board of Directors shall authorize all personal services contracts with firms whose charges to the Corporation are expected to exceed $100,000 within the fiscal year of the Corporation and shall authorize and annually review all personal services contracts involving services to be provided over a greater than one-year period.

3. All personal services contracts with firms whose charges to the Corporation are not expected to exceed $100,000 within the fiscal year of the Corporation and involving
personal services to be provided over a period no greater than one year shall be authorized by the Executive Director or Deputy Executive Director.

B. Contracts. All contracts for personal services shall be in writing and executed by the Executive Director or Deputy Executive Director except if authorized by resolution of the Board of Directors. However, such officer may give verbal authorization to contractors to commence performance where prior written agreement is impracticable, provided that the contract shall be reduced to writing as soon as practicable.

C. Provisions. All personal services contracts shall contain the following provisions: description of services; terms of compensation; provision for payment; duration; monitoring of performance; use of corporation personnel, supplies and facilities; and other provisions applicable to the particular services being provided. All personal services contractors shall be responsible for performance in accordance with the terms contained in their respective contracts.

IV. Special Provisions

A. Minority Businesses. The Corporation shall become knowledgeable of the existence of minority business enterprises so as to identify areas or types of contracts for which they may best bid. It shall encourage their seeking such contracts and supply pertinent information to enable them to bid, or to provide offers for, contracts with the Corporation. A minority business enterprise is a business which is at least fifty-one percent owned by Blacks, Hispanics, Asians, American Indians or women.

B. Former Personnel. A former officer or employee of the Corporation shall not be permitted, for a period of two years following termination of Corporation employment, to perform personal services for the Corporation, either as an individual or as an officer or employee of a private business entity. However, this restriction may be waived by the Executive Director upon determination that such person's performance of the personal service: (1) will result in a substantial benefit to the Corporation; and (2) will not constitute a conflict of interest.
V. Reports

A. Quarterly. The Executive Director shall prepare and deliver to the Board of Directors once for each quarter of the Corporation's fiscal year a report on the status of the Corporation's personal services contracts at the end of such quarter. Such reports shall describe any new personal services contracts entered into during the quarter, their terms and the selection process for each and, if not selected competitively, the reason that competition was not utilized. Existing contracts shall also be reported.

B. Annually. Annually, the Executive Director shall prepare and the Board of Directors shall review and approve a Personal Services Contract Report, covering the fiscal year of the Corporation, which shall include:

1. The Personal Services Contract Guidelines;

2. An explanation of the Guidelines and any amendments made during the fiscal year;

3. A list of the personal services contractors performing services during the fiscal year; and

4. A list of fees, commissions or other charges paid to personal services contractors during the fiscal year.

The Personal Services Contract Report shall be submitted to the New York State Division of the Budget, and copies shall be sent to the New York State Department of Audit and Control, and the Senate Finance Committee and Assembly Ways and Means Committee of the State of New York. Copies of the annual report shall also be made available to the public upon reasonable request.

VI. Applicability. These Guidelines shall govern all personal services contracts entered into by the Municipal Assistance Corporation on and after January 1, 1984, and shall not apply to personal services contracts entered into by the Corporation prior to January 1, 1984. Nothing contained in these Guidelines shall be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement entered into in violation of, or without compliance with, the provisions of these Guidelines.
<table>
<thead>
<tr>
<th>Name of Contractor (Purpose)</th>
<th>Contract Date (Contract Duration)</th>
<th>Total Contract Price</th>
<th>Amount Paid During Fiscal Year Ending June 30, 1988 (Amount Paid From Inception to June 30, 1988)</th>
<th>Method of Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accountemps (Temporary Employee Services)</td>
<td>6/18/87 (open-ended)</td>
<td>$3,496</td>
<td>$3,496 ($3,496)</td>
<td>negotiation</td>
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<tr>
<td>Bank of New York (Investment Advisor)</td>
<td>7/1/87 (2 years)</td>
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<td>$27,000 ($27,000)</td>
<td>competition</td>
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<tr>
<td>E.G. Bowman Insurance (Data Processing Insurance)</td>
<td>11/10/86 (one year)</td>
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<td>$1,864 ($1,864)</td>
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<td>BP Air Conditioning Corporation (Computer Cooling Maintenance)</td>
<td>7/27/87 (one year)</td>
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<td>$1,430 ($1,430)</td>
<td>competition</td>
</tr>
<tr>
<td>Carter, Ledyard &amp; Milburn (Trustee Counsel)</td>
<td>9/22/87 (open-ended)</td>
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<td>Chase Manhattan Bank (Paying Agent)</td>
<td>11/17/78 (open-ended)</td>
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<td>bond resolution</td>
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<td>Citibank (Paying Agent)</td>
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<td>Compuserve (Computer Maintenance)</td>
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<td>Digital Equipment Corporation (Computer Services)</td>
<td>3/15/88 (one year)</td>
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<td>Digital Equipment Corporation (Computer Services)</td>
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<td>$3,396 ($6,792)</td>
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</tr>
<tr>
<td>Name of Contractor (Purpose)</td>
<td>Contract Date (Contract Duration)</td>
<td>Total Contract Price</td>
<td>Amount Paid During Fiscal Year Ending June 30, 1988</td>
<td>Method of Award</td>
</tr>
<tr>
<td>-----------------------------</td>
<td>----------------------------------</td>
<td>----------------------</td>
<td>-------------------------------------------------</td>
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<td>Digital Equipment Corporation (Computer Services)</td>
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<td>R.R. Donnelley &amp; Sons Company (Financial Printing)</td>
<td>2/24/88 (completion of job)</td>
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<td>Doremus &amp; Company (Production of Official Notices)</td>
<td>3/24/88 (completion of job)</td>
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<td>Doremus &amp; Company (Production of Official Notices)</td>
<td>2/2/88 (completion of job)</td>
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<td>Doremus &amp; Company (Production of Official Notices)</td>
<td>1/25/88 (completion of job)</td>
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<tr>
<td>Doremus &amp; Company (Production of Official Notices)</td>
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<td>Rate Schedule</td>
<td>$154,812 newspaper charges ($154,812) $4,523 production charges ($4,523)</td>
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<tr>
<td>Name of Contractor (Purpose)</td>
<td>Contract Date (Contract Duration)</td>
<td>Total Contract Price (Amount Paid from Inception to June 30, 1988)</td>
<td>Method of Award</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------------------------------------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>Doremus &amp; Company (Production of Official Notices)</td>
<td>10/20/87 (completion of job)</td>
<td>Rate Schedule $4,085 ($4,085)</td>
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</tr>
<tr>
<td>Doremus &amp; Company (Production of Official Notices)</td>
<td>9/11/87 (completion of job)</td>
<td>Rate Schedule $3,384 ($3,384)</td>
<td>Sole source</td>
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</tr>
<tr>
<td>Doremus &amp; Company (Production of Official Notices)</td>
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<td>Sole source</td>
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</tr>
<tr>
<td>Doremus &amp; Comany (Production of Official Notices)</td>
<td>7/27/87 (completion of job)</td>
<td>Rate Schedule $5,589 ($5,589)</td>
<td>Sole source</td>
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</tr>
<tr>
<td>Ernst &amp; Whitney (Verification Services)</td>
<td>3/18/87 (completion of job)</td>
<td>Rate Schedule $2,994 (2,994)</td>
<td>competition</td>
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</tr>
<tr>
<td>EZ Addressing Service (Mailing Services)</td>
<td>5/11/88 (completion of job)</td>
<td>Rate Schedule $1,314 ($1,314)</td>
<td>negotiation</td>
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<tr>
<td>EZ Addressing Service (Mailing Services)</td>
<td>2/2/88 (completion of job)</td>
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<tr>
<td>EZ Addressing Service (Mailing Services)</td>
<td>10/20/87 (completion of job)</td>
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<td>negotiation</td>
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<tr>
<td>EZ Addressing Service (Mailing Services)</td>
<td>9/11/87 (completion of job)</td>
<td>Rate Schedule $1,475 ($1,475)</td>
<td>negotiation</td>
<td></td>
</tr>
<tr>
<td>Hawkins, Delafield &amp; Wood (Bond Counsel)</td>
<td>9/11/86 (to 7/23/87)</td>
<td>Rate Schedule $18,240 ($18,240)</td>
<td>negotiation</td>
<td></td>
</tr>
<tr>
<td>Name of Contractor (Purpose)</td>
<td>Contract Date (Contract Duration)</td>
<td>Total Contract (Amount Paid From Inception to June 30, 1988)</td>
<td>Method of Award</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>----------------</td>
<td></td>
</tr>
<tr>
<td>IBM Corporation (Copier Rental and Maintenance)</td>
<td>8/25/86 (open-ended)</td>
<td>Rate Schedule $3,695 ($16,939)</td>
<td>sole source</td>
<td></td>
</tr>
<tr>
<td>Inta-Boro Acres Inc. (Car and Messenger Service)</td>
<td>3/1/87 (open-ended)</td>
<td>Rate Schedule $3,096 ($7,229)</td>
<td>negotiation</td>
<td></td>
</tr>
<tr>
<td>Interactive Systems Inc. (Computer Software Services)</td>
<td>5/10/83 (open-ended)</td>
<td>$900 annually $900 ($4,250)</td>
<td>sole source</td>
<td></td>
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<tr>
<td>Intermarket Insurance Agency, Inc. (Computer Software</td>
<td>12/27/87 (one year)</td>
<td>$2,561 annually $2,561 ($2,561)</td>
<td>negotiation</td>
<td></td>
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<tr>
<td>Intermarket Insurance Agency, Inc. (Computer Software</td>
<td>12/28/87 (one year)</td>
<td>$700 annually $700 ($700)</td>
<td>negotiation</td>
<td></td>
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<tr>
<td>Kellner &amp; Osburn Associates, Inc. (Graphic Design)</td>
<td>10/6/87 (completion of job)</td>
<td>$27,341 annually $27,341 ($27,341)</td>
<td>negotiation</td>
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<tr>
<td>Kellner &amp; Osburn Associates, Inc. (Graphic Design)</td>
<td>10/29/87 (completion of job)</td>
<td>$70,000 annually $43,056 ($43,056)</td>
<td>negotiation</td>
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<tr>
<td>Kelly Services (Temporary Employee Services)</td>
<td>7/13/87 (open-ended)</td>
<td>$595 annually $595 ($595)</td>
<td>negotiation</td>
<td></td>
</tr>
<tr>
<td>The Lacy Company (Verification Services)</td>
<td>3/10/88 (completion of job)</td>
<td>$2,250 annually $750 ($750)</td>
<td>competition</td>
<td></td>
</tr>
<tr>
<td>Landart Systems, Inc. (Computer Services)</td>
<td>9/19/86 (one year)</td>
<td>$6,000 annually $6,000 ($6,000)</td>
<td>sole source</td>
<td></td>
</tr>
<tr>
<td>Name of Contractor (Purpose)</td>
<td>Contract Date (Contract Duration)</td>
<td>Contract Date (Contract Duration)</td>
<td>Amount Paid During Fiscal Year Ending June 30, 1988</td>
<td></td>
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<tr>
<td>-----------------------------</td>
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<td>---------------------------------------------------</td>
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<tr>
<td>Monroe Systems for Business Inc. (Trader Calculator Maintenance)</td>
<td>1/3/88 (one year)</td>
<td>$136</td>
<td>$136 ($136)</td>
<td>sole source</td>
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<tr>
<td>Orrick, Herrington &amp; Sutcliffe (Bond Counsel)</td>
<td>7/24/87 (open-ended)</td>
<td>Rate Schedule</td>
<td>$94,900 ($94,900)</td>
<td>negotiation</td>
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<td>Paul, Weiss, Rifkind, Wharton &amp; Garrison (General Counsel)</td>
<td>9/22/87 (open-ended)</td>
<td>Rate Schedule</td>
<td>$61,336 ($61,336)</td>
<td>negotiation</td>
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<td>Price Waterhouse (Independent Accountants)</td>
<td>7/1/87 (two years)</td>
<td>Rate Schedule</td>
<td>$73,165 ($73,165)</td>
<td>negotiation</td>
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<tr>
<td>Scott Printing Co. (Annual Report Printing)</td>
<td>8/18/87 (completion of job)</td>
<td>$40,233</td>
<td>$40,233 ($40,233)</td>
<td>competition</td>
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<tr>
<td>Scott Printing Co. (Quarterly Reports Printing)</td>
<td>10/29/87 (completion of job)</td>
<td>$46,302</td>
<td>$46,302 ($46,302)</td>
<td>competition</td>
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<td>Solo Word Processing (Temporary Employee and Placement Services)</td>
<td>6/19/87 (open-ended)</td>
<td>$2,385</td>
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<td>State Insurance Fund</td>
<td>3/9/76 (open-ended)</td>
<td>Rate Schedule</td>
<td>$1,101 ($4,545)</td>
<td>State law</td>
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<td>Stone Mountain Computing Corporation (Software Licensing)</td>
<td>3/14/88 (open-ended)</td>
<td>$2,000</td>
<td>$2,000 ($2,000)</td>
<td>competition</td>
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<td>Technical Data International (Financial Information)</td>
<td>12/1/85 (open-ended)</td>
<td>annually</td>
<td>$4,200 ($10,376)</td>
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<td>Name of Contractor (Purpose)</td>
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<td>Amount Paid During Fiscal Year Ending June 30, 1988 (Amount Paid From Inception to June 30, 1988)</td>
<td>Method of Award</td>
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<tr>
<td>--------------------------------------------------</td>
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<td>Telerate Systems, Inc. (Financial Information)</td>
<td>10/28/86 (one year)</td>
<td>$17,460</td>
<td>$2,460 ($14,903)</td>
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<td>Telerate Systems, Inc. (Financial Information)</td>
<td>10/28/87 (one year)</td>
<td>$10,245</td>
<td>$7,650 ($7,650)</td>
<td>sole source</td>
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<td>United States Banknote Corporation (Securities Printing)</td>
<td>3/9/88 (completion of job)</td>
<td>$9,590</td>
<td>$9,590 ($9,590)</td>
<td>sole source</td>
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<td>United States Banknote Corporation (Securities Printing)</td>
<td>2/8/88 (completion of job)</td>
<td>$10,725</td>
<td>$10,645 ($10,645)</td>
<td>sole source</td>
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<tr>
<td>United States Banknote Corporation (Securities Printing)</td>
<td>7/31/87 (completion of job)</td>
<td>$8,345</td>
<td>$8,334 ($8,334)</td>
<td>sole source</td>
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<td>United States Trust Company of New York (Trustee and Investment Services)</td>
<td>9/22/87 (one year)</td>
<td>Rate Schedule</td>
<td>$372,302 ($372,302)</td>
<td>bond resolution</td>
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<tr>
<td>United States Trust Company of New York (Trustee and Investment Services)</td>
<td>9/11/86 (one year)</td>
<td>Rate Schedule</td>
<td>$250,953 ($250,953)</td>
<td>bond resolution</td>
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<td>Allen W. Wasmund &amp; Sons (Binding Services)</td>
<td>7/8/82 (open-ended)</td>
<td>Rate Schedule</td>
<td>$2,033 ($14,311)</td>
<td>sole source</td>
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<td>Xerox Corporation (Word Processing Maintenance)</td>
<td>6/29/81 (open-ended)</td>
<td>$1,935 annually</td>
<td>$1,774 ($13,107)</td>
<td>sole source</td>
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<tr>
<td>Xerox Corporation (Word Processing Maintenance)</td>
<td>3/16/81 (open-ended)</td>
<td>$3,870 annually</td>
<td>$3,870 ($28,725)</td>
<td>sole source</td>
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<td>Zoom Messenger Service (Messenger Services)</td>
<td>5/5/87 (open-ended)</td>
<td>Rate Schedule</td>
<td>$10,000 ($19,782)</td>
<td>negotiation</td>
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</tbody>
</table>

Note: Amounts paid, shown on cash basis, are not necessarily reflective of charges incurred for reporting period.

MAC: 8/31/88
13 November 1987

To: Board of Directors

From: Stephen J. Weinstein

Re: Personal Services Contract Report Quarter Ending September 30, 1987

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending September 30, 1987, the Corporation sold $79.5 million of Series 63 Bonds pursuant to the Second General Bond Resolution, in connection with which the Corporation entered into several contracts during the quarter. On the basis of a competitive bidding process conducted in January 1987, the Corporation retained R. R. Donnelley & Sons on July 29, 1987 for financial printing services for the Series 63 Bonds, at an actual cost of $27,640.17. The Corporation also retained United States Banknote Corporation on July 31, 1987, for the printing of the Series 63 Bonds, at an actual cost of $8,333.75, pursuant to provisions of the Guidelines exempting securities printing from a competitive selection process.

During the quarter, the Corporation retained Doremus & Company for advertising services in connection with the Notice of Sale of the Corporation's Series 63 Bonds on July 27, 1987 at an actual cost of $5,589.22; the Notice of Deposit for the Corporation's Series 24 and 42 Bonds on August 31, 1987 at an actual cost of $7,460.36; and the notice of publication of the Corporation's annual report at an actual cost of $2,991.00 on September 11, 1987. The Corporation also retained E-Z Addressing Service in connection with the mailing of the Corporation's 1987 Annual Report, at an actual cost of $1,475.39. Doremus & Company was selected on a non-competitive basis due to the limited sources available. E-Z Addressing Service was selected non-competitively because of the low levels of charges involved.

On August 18, 1987, the Corporation entered into a contract with S. D. Scott Printing Company, Inc. to print the 1987 Annual Report, following a competitive bidding process. The actual cost of the contract was $40,232.50.

ba:128
12 February 1988

To: Board of Directors

From: Stephen J. Weinstein

Re: Personal Services Contract Report for the Quarter Ending December 31, 1987

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending December 31, 1987, the Corporation retained Doremus & Company on October 20, 1987 for advertising services in connection with the notice of publication of the Corporation's Quarterly Financial Statement, at an actual cost of $4,084.50, and the notices of redemption of the Corporation's Series CC and Series HH Bonds, which were printed on December 30, 1987 and January 6, 1988, at an estimated cost of $12,162.62 for production costs and $157,179.84 for newspaper charges. Doremus & Company was selected on a non-competitive basis due to the limited sources available.
Board of Directors
12 February 1988
Page 2

On October 29, 1987, the Corporation entered into a contract with S. D. Scott Printing Company, Inc. to print the Corporation's three quarterly reports for the 1988 fiscal year, following a competitive bidding process, at an estimated cost of $43,680. On October 29, 1987, the Corporation entered into a contract with Kellner & Osburn Associates, Inc., for graphic design services in connection with the Corporation's three quarterly reports for the current fiscal year and the annual report for the year ending June 30, 1988. This contract was obtained on a non-competitive basis due to the impracticability of competition. The estimated cost of this contract is $42,750.

On December 7, 1987, the Corporation entered into an agreement with The Bank of New York, as authorized by the Board on September 27, 1987, for advisory services with regard to the Corporation's investments during the period July 1, 1987 through June 30, 1989. The estimated cost of this contract is $36,000 per year. The Bank of New York was originally selected by the Board after a competitive bidding process.

:128
Date: 13 May 1988

To: Board of Directors

From: Stephen J. Weinstein

Re: Personal Services Contract Report for the Quarter Ending March 31, 1988

MEMORANDUM

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending March 31, 1988, the Corporation sold $134,485 million of Series 64 Bonds and $96,900 million of Series 65 Bonds, pursuant to the Second General Bond Resolution, in connection with which the Corporation entered into several contracts during the quarter. On the basis of a competitive bidding process conducted in January 1987, the Corporation retained R.R. Donnelley & Sons on January 8, 1988 and on February 24, 1988 for financial printing services for the Series 64 and Series 65 Bonds, respectively, at an actual cost of $33,333.89 for the Series 64 Bonds and an estimated cost of approximately $30,000 for the Series 65 Bonds. The Corporation also retained United States Banknote Corporation on February 8, 1988 for the printing of the Series 64 Bonds, at an actual cost of $10,645.00 and on March 9, 1988, for the printing of the Series 65 Bonds, at an actual cost of $9,590.00, pursuant to provisions of the Guidelines exempting securities printing from a competitive selection process.

During the quarter, the Corporation retained Doremus & Company on January 25, 1988 for advertising services in connection with the Notices of Sale of the Corporation's Series 64 and Series 65 Bonds on January 25, 1988 and on February 29, 1988, respectively, at an actual cost of $5,850.00 for the Series 64 Bonds and an actual cost of $4,983.01 for the Series 65 Bonds. The Corporation also retained Doremus & Company for advertising services in connection with the notice of publication of the Corporation's Quarterly Financial Statements, on February 2, 1988, at an actual cost of $4,332.50 and for the Notice of Deposit of the Corporation's Series 23 Bonds, which was printed on March 7, 1988 and March 14, 1988, at an actual
cost of $5,574.72. Doremus & Company was selected on a non-competitive basis due to the limited sources available.

On March 10, 1988, the Corporation entered into an agreement with Jerry L. Lacy, Certified Public Accountant, for verification of defeasance for three refunding issues of the Corporation, starting with Series 65, on the basis of a competitive bidding process. The cost of this contract is $750 per issue.

On January 28, 1988, the Corporation entered into a software license agreement with Stone Mountain Computing Corporation at an actual cost of $950. This contract was obtained on a non-competitive basis due to the limited sources available.

On February 2, 1988, the Corporation retained E-Z Addressing Service in connection with the mailing of the December 31, 1987 quarterly report, at an actual cost of $1,278.77. E-Z Addressing Service was retained non-competitively due to the low level of charges involved.
__ September 1988

Board of Directors

Stephen J. Weinstein

Personal Services Contract Report for the Quarter Ending June 30, 1988

The Corporation's Personal Services Contract Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's personal services contracts. In particular, the Guidelines mandate the reporting of the terms and selection process utilized for personal services contracts newly entered into during the quarter. The continuing contracts listed in earlier reports remain in effect under the terms and conditions previously described.

During the quarter ending June 30 1988, the Corporation sold $700.6 million of Series 66 Bonds, pursuant to the Second General Bond Resolution, in connection with which the Corporation entered into several contracts during the quarter. On the basis of a competitive bidding process conducted in April 1988, the Corporation retained Scott Printing Corporation in June 1988 for financial printing services for the Series 66 Bonds, at an estimated cost of $60,000. The Corporation also retained United States Banknote Corporation in June 1988 for the printing of the Series 66 Bonds, at an estimated cost of $16,000, pursuant to provisions of the Guidelines exempting securities printing from a competitive selection process.
During the quarter, the Corporation retained Doremus & Company for advertising services in connection with the public notices of the July 1, 1988 mandatory sinking fund redemptions of certain Second Resolution Bonds at an actual cost of $381,251 for media charges and $25,796 for production charges, and the notice of publication of the Corporation's Quarterly Financial Statements at an actual cost of $4,117. Doremus & Company was selected on a non-competitive basis due to the limited sources available.

In May 1988, the Corporation retained E-Z Addressing Service in connection with the mailing of the March 31, 1988 quarterly report, at an actual cost of $1,279. E-Z Addressing Service was retained non-competitively due to the low level of charges involved.
24 June 1988

To: Steve Levine, Steve Cohen

From: Maxine H. Gillman

Re: Series 66 Bonds – City Certificate

Enclosed is the City certificate for the Series 66 Bonds which we will need in connection with the closing scheduled for Thursday, July 7. I would appreciate receiving ten originals by the close of business on Tuesday, July 5, since a pre-closing for the bonds is scheduled to begin at 10:00 A.M. the following day.

Thank you for your assistance both for this and for the drafting of the Official Statement.

ba: 122
23 June 1988

Mr. Morris Samber
6641 North Talman Avenue
Chicago, Illinois 60645

Dear Mr. Samber:

Subsequent to our telephone conversation of June 7, 1988, I made further inquiries with regard to the redemption of your Series 7 Bonds. As I indicated to you on that date, while the Corporation appreciates the expression of your concerns, we have provided the required notice to holders of Series 7 Bonds in coupon form by publication on a timely basis. We have therefore concluded that you are not entitled to any additional payment beyond that already made.

Notification of bondholders of redemptions of bonds prior to stated maturities is governed by applicable provisions of the general bond resolution pursuant to which the bonds were issued, in this case, the Second General Bond Resolution adopted November 25, 1975, as amended. The notification of the optional redemption of the Series 7 Bonds appearing in the Eastern Edition of the Wall Street Journal on May 19, 1987 and May 26, 1987 satisfied these requirements, and, as provided in the Second General Bond Resolution, interest on all Series 7 Bonds properly ceased to accrue after the optional redemption date.

Neither the Trustee nor the Corporation has any way of knowing the identity of coupon bondholders prior to presentation of coupons or bonds and is able to provide notification to them only by means of the required publication procedure. For this reason, the Corporation has always made its bonds available in registered form without
charge, so that, among other things, periodic interest payments and important notices can be mailed directly to the registered holder on a timely basis. As I explained to you, federally tax-exempt state and local obligations, including those of the Corporation, are no longer issued in bearer form, which means that notification procedures have been greatly improved.

I hope that I have satisfactorily addressed your concerns. If you have any further questions, please feel free to contact me.

Sincerely,

[Signature]

Steven Markbreiter
Assistant Counsel

aa:103
Date: 21 June 1988

To: See Distribution

From: Maxine H. Gillman

Re: Series 66 Bonds - Closing Documents

Attached is the proposed Table of Contents for the closing documents for the Corporation's Series 66 Bonds. Parties will be responsible for preparing or obtaining such documents as follows:

<table>
<thead>
<tr>
<th>Firm</th>
<th>Document Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Assistance Corporation</td>
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<td>Paul, Weiss, Rifkind, Wharton &amp; Garrison</td>
<td>19</td>
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<tr>
<td>Orrick, Herrington &amp; Sutcliffe</td>
<td>6, 20, 21, 22, 23, 24, 25</td>
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<tr>
<td>Carter, Ledyard &amp; Milburn</td>
<td>18, 26</td>
</tr>
<tr>
<td>White &amp; Case</td>
<td>27, 28, 35, 36</td>
</tr>
</tbody>
</table>

Please circulate drafts of these documents no later than Wednesday, June 29, 1988.

A pre-closing for the Series 66 Bonds will be held at the Corporation's offices beginning at 10:00 A.M. on Wednesday, July 6, at which time all closing documents, fully executed, should be available for inspection. The closing will take place at 9:00 A.M. on Thursday, July 7.

Attachment

By Messenger

Distribution: Donald J. Robinson
Kathleen A. McDonough
Kent K. Reynolds
James M. Dubin
Saul H. Finkelstein
Lee S. Pershan
Robert R. Grew
J. Justice Reed
Anthony F. Kahn
Louise S. Sams

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TABLE OF CONTENTS

Basic Documents and Certifications

1. Copy of the final Official Statement of the Municipal Assistance Corporation For The City of New York (the "Corporation") dated June 20, 1988 relating to the Series 66 Bonds (the "Official Statement").


3. Conformed copy of the Bond Purchase Agreement dated June 20, 1988 executed by the Corporation and Goldman, Sachs & Co. for the Representatives (the "Representatives") of the underwriters named therein (the "Underwriters").

4. Extract of the Minutes of the Board of Directors Meeting held on June 20, 1988 showing adoption of the Series 66 Resolution authorizing the issuance, sale and delivery of the Series 66 Bonds and other matters related thereto.

5. Copy of the Second General Bond Resolution.


7. Approval of the terms of the sale by the Comptroller of the State of New York (the "State").

8. Order of the Corporation as to the authentication and delivery to the Underwriters of the Series 66 Bonds.

9. Certificate of the Director of the Budget of the State with respect to the Official Statement.

10. Certificate of the Commissioner of Taxation and Finance of the State with respect to the Official Statement.
11. Certificate of the Mayor and the Comptroller of the City of New York (the "City") or appropriate Deputies with respect to the Official Statement.

12. Certificate of the Commissioner of Taxation and Finance of the State with respect to the amounts of Sales Tax and Stock Transfer Tax.

13. Certificate of the Director of the Budget of the State with respect to the amount of Per Capita Aid.

14. Certificate of the Corporation as to members, officers, terms of office and other details of the Corporation, including by-laws, minutes, certain resolutions, specimen bonds, litigation, signatures and certificates.


16. Internal Revenue Service Form 8038 of the Corporation.


18. Certificate as to acceptance of duties of Trustee by the United States Trust Company of New York (the "Trust Company") and showing authority for Authorized Officers to authenticate the Series 66 Bonds.

Opinions

19. Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, addressed to the Corporation, together with reliance opinion addressed to the Trust Company.

20. Approving Opinion as to the Series 66 Bonds of Orrick, Herrington & Sutcliffe, Bond Counsel to the Corporation, addressed to the Corporation, together with reliance opinion addressed to the Representatives.


22. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to arbitrage.

23. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to original issue discount.

24. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to the 1978 State Covenant.
25. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to the defeasance of the Series 11, 12, 13, 20, 21 and 22 Bonds of the Corporation, together with reliance opinion addressed to the Trust Company.

26. Opinion of Carter, Ledyard & Milburn, Counsel to the Trust Company, with respect to the Trust Company's authority to act as Trustee, and authentication of the Series 66 Bonds, together with reliance opinion addressed to the Representatives.

27. Opinion of White & Case, Counsel to the Underwriters, addressed to the Representatives.


Proceeds

29. Order as to deposit and investment of the Series 66 Bond Proceeds and irrevocable instructions as to the establishment of the Series 11, 12, 13, 20, 21 and 22 Trust Fund.

30. Certificate of the Trustee as to receipt of proceeds of sale of the Series 66 Bonds.


32. Certificate of the Trustee respecting defeasance of the Series 11, 12, 13, 20, 21 and 22 Bonds of the Corporation.


Miscellaneous

34. Evidence of ratings of the Series 66 Bonds.

35. Copy of tombstone advertisement.

36. Memorandum of Closing.
21 June 1988

Mr. Jerry Lacy
THE LACY COMPANY
1745 Stout Street/Suite 203
Denver, Colorado 80202

Dear Jerry:

Please verify defeasance of the Corporation's Series 11, 12, 13, 20, 21 and 22 Bonds. These series were advance refunded by the Series 66 Bonds awarded June 20, 1988. This is the second of our agreement covering three refunding issues.

Enclosed please find: Series 66 Final Official Statement; the pertinent escrow and debt service schedule from Goldman, Sachs & Co.; the March 31, 1988 quarterly; extracts from the final official statements for the refunded bonds documenting their principal amounts, maturity, coupon, sinking fund and call features; the open markets escrow offering awarded to Dean Witter Reynolds Inc.; and the SLGS subscription for the yield restricted escrow.


Please call me for any additional information.

Sincerely,

[Signature]

Quentin B. Spector
Deputy Executive Director
and Treasurer

Enclosure

ba:122
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BEGINNING CASH: 0.00
COST OF SECURITIES: 693,068,792.42
TOTAL COST OF ESCROW: 693,068,792.42
**Municipal Assistance Corporation for the City of New York**

**Series 66**

**ESCROW CASH BALANCING REPORT**

**DELIVERY DATE: 7/7/88**

<table>
<thead>
<tr>
<th>DATE</th>
<th>ESCROW REQUIREMENT</th>
<th>CANDIDATE RECEIPTS</th>
<th>PURCHASE RECEIPTS</th>
<th>TOTAL RECEIPTS</th>
<th>CASH BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/7/88</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8/15/88</td>
<td>324,488,893.19</td>
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<td>324,469,312.50</td>
<td>324,489,312.50</td>
<td>419.31</td>
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<tr>
<td>1/1/89</td>
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<td>15,554,698.69</td>
<td>15,554,698.69</td>
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<td>77.70</td>
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<tr>
<td>7/1/89</td>
<td>379,967,137.50</td>
<td>379,967,096.77</td>
<td>379,967,096.77</td>
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<td>36.97</td>
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<td></td>
</tr>
<tr>
<td>7/20/88</td>
<td>720,011,066.19</td>
<td>395,521,792.66</td>
<td>324,489,312.50</td>
<td>720,011,105.16</td>
<td></td>
</tr>
</tbody>
</table>

**Total**

---
SUPPLEMENT DATED NOVEMBER 17, 1978 TO OFFICIAL STATEMENT DATED NOVEMBER 17, 1973

NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1978 Series 11 Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

$139,525,000

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Corporate Governmental Agency and Instrumentality of the State of New York)

$3¾% 1978 SERIES 11 BONDS

(issued pursuant to the Second General Bond Resolution)

Dated November 15, 1978

Due July 1, 1998

This Supplement to the Official Statement dated November 17, 1978 (the "Official Statement") of the Municipal Assistance Corporation For The City of New York (the "Corporation") is provided for the purpose of setting forth information with respect to the Corporation’s 1978 Series 11 Bonds, which are to be purchased from the Corporation by certain Financial Institutions pursuant to the Financing Agreement, as more fully described in the Official Statement.

Principal of and interest on the 1978 Series 11 Bonds are payable at the corporate trust office of Citibank, N.A., New York, New York, or at the option of the holder at Bank of America N.A., San Francisco, California, unless registered. At the option of any Financial Institution, payment of the interest on fully registered 1978 Series 11 Bonds will be made pursuant to the Financing Agreement by check or wire transfer to such Financial Institution without presentation of the 1978 Series 11 Bonds and without any notation of such payment being required. Interest on the 1978 Series 11 Bonds is payable July 1, 1979 and semi-annually thereafter on each January 1 and July 1. The 1978 Series 11 Bonds will be issued as coupon bonds in the denomination of $5,000 or $100,000 each, registrable as to principal only, or as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described herein. For information which may affect the market or market prices for and sources of payment of the 1978 Series 11 Bonds, see "PART 1—INTRODUCTION" and the references included therein.

The 1978 Series 11 Bonds are subject to redemption at the option of the Corporation on and after July 1, 1988, as a whole on any date, or in part by lot on any interest payment date or dates, at an initial redemption price of 102%, declining in increments of ½% per year to a redemption price of 100% on and after July 1, 1992, of the principal amount thereof, and from mandatory sinking fund installments on and after July 1, 1985 at a redemption price of 100% of the principal amount thereof, plus, in each case, accrued interest to the redemption date, pursuant to the following schedule:

<table>
<thead>
<tr>
<th></th>
<th>Sinking Fund</th>
<th></th>
<th>Sinking Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Installment</td>
<td></td>
<td>Installment</td>
</tr>
<tr>
<td>1985</td>
<td>$ 4,755,000</td>
<td>1992</td>
<td>$12,210,000</td>
</tr>
<tr>
<td>1986</td>
<td>6,800,000</td>
<td>1993</td>
<td>14,950,000</td>
</tr>
<tr>
<td>1987</td>
<td>6,800,000</td>
<td>1994</td>
<td>18,385,000</td>
</tr>
<tr>
<td>1988</td>
<td>11,585,000</td>
<td>1995</td>
<td>21,355,000</td>
</tr>
<tr>
<td>1989</td>
<td>11,585,000</td>
<td>1996</td>
<td>2,050,000</td>
</tr>
<tr>
<td>1990</td>
<td>12,245,000</td>
<td>1997</td>
<td>2,010,000</td>
</tr>
<tr>
<td>1991</td>
<td>12,245,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$139,525,000 8¾% Term Bonds due July 1, 1998 @ 98.075%

(Accrued interest to be added)

The average life of the 1978 Series 11 Bonds is approximately 13.1 years

This Supplement must be read in conjunction with the Official Statement to which this Supplement is attached. Such Official Statement relates to the Corporation’s 1978 Series 10 Bonds. The 1978 Series 11 Bonds will be sold to certain of the Financial Institutions pursuant to the Financing Agreement.

Nothing in the Official Statement relating to underwriters or to an underwritten sale should be read as referring to the 1978 Series 11 Bonds.
MARKED TO SHOW CHANGES FROM PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 1978

SUPPLEMENT DATED NOVEMBER 17, 1978 TO OFFICIAL STATEMENT DATED NOVEMBER 17, 1978

NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1978 Series 12 Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

$60,375,000

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Corporate Governmental Agency and Instrumentality of the State of New York)

8¼% 1978 SERIES 12 BONDS

(issued pursuant to the Second General Bond Resolution)

Dated November 15, 1978

Due July 1, 1998

This Supplement to the Official Statement dated November 17, 1978 (the "Official Statement") of the Municipal Assistance Corporation For The City of New York (the "Corporation") is provided for the purpose of setting forth information with respect to the Corporation's 1978 Series 12 Bonds, which are to be purchased from the Corporation by certain City Pension Funds pursuant to the Financing Agreement, as more fully described in the Official Statement.

Principal of and interest on the 1978 Series 12 Bonds are payable at the corporate trust office of Citibank N.A., New York, New York, or at the option of the holder at Bank of America N.T.&S.A., San Francisco, California, unless registered. At the option of any City Pension Fund, payment of the interest on fully registered 1978 Series 12 Bonds will be made pursuant to the Financing Agreement by check or wire transfer to such City Pension Fund without presentation of the 1978 Series 12 Bonds and without any notation of such payment being required. Interest on the 1978 Series 12 Bonds is payable July 1, 1979 and semi-annually thereafter on each January 1 and July 1. The 1978 Series 12 Bonds will be issued as coupon bonds in the denomination of $5,000 or $100,000 each, registrable as to principal only, or as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described herein. For information which may affect the market or market prices for and sources of payment of the 1978 Series 12 Bonds, see "PART 1—INTRODUCTION" and the references included therein.

The 1978 Series 12 Bonds are subject to redemption at the option of the Corporation on and after July 1, 1988, as a whole on any date, or in part by lot on any interest payment date or dates, at an initial redemption price of 102%, declining in increments of ½% per year to a redemption price of 100% on and after July 1, 1992, of the principal amount thereof, and from mandatory sinking fund installments on and after July 1, 1985, at a redemption price of 100% of the principal amount thereof, plus, in each case, accrued interest to the redemption date, pursuant to the following schedule:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sinking Fund Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>$2,055,000</td>
</tr>
<tr>
<td>1986</td>
<td>$2,940,000</td>
</tr>
<tr>
<td>1987</td>
<td>$2,940,000</td>
</tr>
<tr>
<td>1988</td>
<td>$5,015,000</td>
</tr>
<tr>
<td>1989</td>
<td>$5,015,000</td>
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<tr>
<td>1990</td>
<td>$5,300,000</td>
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<td>1991</td>
<td>$5,300,000</td>
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<tr>
<td>1992</td>
<td>$5,285,000</td>
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<tr>
<td>1993</td>
<td>$6,470,000</td>
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<tr>
<td>1994</td>
<td>$7,955,000</td>
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<tr>
<td>1995</td>
<td>$9,455,000</td>
</tr>
<tr>
<td>1996</td>
<td>$385,000</td>
</tr>
<tr>
<td>1997</td>
<td>$375,000</td>
</tr>
</tbody>
</table>

$60,375,000 8¼% Term Bonds due July 1, 1998 @ 98.075% (Accrued interest to be added)

The average life of the 1978 Series 12 Bonds is approximately 13.1 years.

This Supplement must be read in conjunction with the Official Statement to which this Supplement is attached. Such Official Statement relates to the Corporation's 1978 Series 10 Bonds. The 1978 Series 12 Bonds will be sold to certain of the City Pension Funds pursuant to the Financing Agreement.

Nothing in the Official Statement relating to underwriters or to an underwritten sale should be read as referring to the 1978 Series 12 Bonds.
MARKED TO SHOW CHAN
FROM PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER 10, 1973

SUPPLEMENT DATED NOVEMBER 17, 1973 TO OFFICIAL STATEMENT DATED NOVEMBER 17, 1973

NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 1978 Series 13 Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

$201,100,000

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

(A Corporate Governmental Agency and Instrumentality of the State of New York)

7.35%-8.50% 1978 SERIES 13 BONDS

(Issued pursuant to the Second General Bond Resolution)

Dated November 15, 1978

Due July 1, as shown below

This Supplement to the Official Statement dated November 17, 1973 (the “Official Statement”) of the Municipal Assistance Corporation For The City of New York (the “Corporation”) is provided for the purpose of setting forth information with respect to the Corporation's 1978 Series 13 Bonds, which are to be purchased from the Corporation by certain Financial Institutions pursuant to the Financing Agreement, as more fully described in the Official Statement.

Principal of and interest on the 1978 Series 13 Bonds are payble at the corporate trust office of The Chase Manhattan Bank, N.A., New York, New York, or at the option of the holder, at Bank of America Trust, N.A., San Francisco, California, unless registered. At the option of any Financial Institution, payment of the interest on fully registered 1978 Series 13 Bonds will be made pursuant to the Financing Agreement by check or wire transfer to such Financial Institution without presentation of the 1978 Series 13 Bonds and without any notation of such payment being required. Interest on the 1978 Series 13 Bonds is payable July 1, 1979 and semi-annually thereafter on each January 1 and July 1. The 1978 Series 13 Bonds will be issued as coupon bonds in the denomination of $5,000 or $100,000 each, registrable as to principal only, or as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described herein. For information which may affect the market or market prices for and sources of payment of the 1978 Series 13 Bonds, see “PART 1—INTRODUCTION” and the references included therein.

The 1978 Series 13 Bonds due July 1, 1985 through July 1, 1988 are not subject to redemption prior to maturity. The 1978 Series 13 Bonds due July 1, 1989 through July 1, 1998 are subject to redemption at the option of the Corporation on and after July 1, 1988, as a whole on any date, or in part by lot beginning with the Bonds of longest maturity on any interest payment date or dates, at an initial redemption price of 102%, declining in increments of 1/8% per year to a redemption price of 100% on and after July 1, 1992, of the principal amount thereof plus accrued interest to the redemption date.

<table>
<thead>
<tr>
<th>Due</th>
<th>Amount</th>
<th>Rate</th>
<th>Price</th>
<th>Due</th>
<th>Amount</th>
<th>Rate</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>$ 6,850,000</td>
<td>7.35%</td>
<td>@ 98.075%</td>
<td>1992</td>
<td>$17,600,000</td>
<td>8.40%</td>
<td>@ 98.075%</td>
</tr>
<tr>
<td>1986</td>
<td>9,800,000</td>
<td>7.95%</td>
<td>@ 98.075%</td>
<td>1993</td>
<td>21,550,000</td>
<td>8.40%</td>
<td>@ 98.075%</td>
</tr>
<tr>
<td>1987</td>
<td>9,800,000</td>
<td>8.15%</td>
<td>@ 98.075%</td>
<td>1994</td>
<td>26,500,000</td>
<td>8.40%</td>
<td>@ 98.075%</td>
</tr>
<tr>
<td>1988</td>
<td>16,700,000</td>
<td>8.35%</td>
<td>@ 98.075%</td>
<td>1995</td>
<td>31,500,000</td>
<td>8.45%</td>
<td>@ 98.075%</td>
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<tr>
<td>1989</td>
<td>16,700,000</td>
<td>8.35%</td>
<td>@ 98.075%</td>
<td>1996</td>
<td>2,950,000</td>
<td>8.50%</td>
<td>@ 98.075%</td>
</tr>
<tr>
<td>1990</td>
<td>17,650,000</td>
<td>8.35%</td>
<td>@ 98.075%</td>
<td>1997</td>
<td>2,900,000</td>
<td>8.50%</td>
<td>@ 98.075%</td>
</tr>
<tr>
<td>1991</td>
<td>17,650,000</td>
<td>8.40%</td>
<td>@ 98.075%</td>
<td>1998</td>
<td>2,950,000</td>
<td>8.50%</td>
<td>@ 98.075%</td>
</tr>
</tbody>
</table>

(Accrued interest to be added)

The average life of the 1978 Series 13 Bonds is approximately 13.1 years

This Supplement must be read in conjunction with the Official Statement to which this Supplement is attached. Such Official Statement relates to the Corporation's 1978 Series 10 Bonds. The 1978 Series 13 Bonds will be sold to certain of the Financial Institutions pursuant to the Financing Agreement.

Nothing in the Official Statement relating to underwriters or to an underwritten sale should be read as referring to the 1978 Series 13 Bonds.
SUPPLEMENT DATED NOVEMBER 15, 1979 TO OFFICIAL STATEMENT
DATED NOVEMBER 1, 1979

NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Series 20 Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

$64,270,000

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Public Benefit Corporation of the State of New York)

8½% SERIES 20 BONDS
(Issued pursuant to the Second General Bond Resolution)

Dated November 1, 1979

Due July 1, 2008

This Supplement to the Official Statement dated November 1, 1979 (the “Official Statement”) of the Municipal Assistance Corporation For The City of New York (the “Corporation”) is provided for the purpose of setting forth information with respect to the Corporation’s Series 20 Bonds, which are to be issued by the Corporation to The State Insurance Fund in exchange for the Series O Bonds and Series X Bonds of the Corporation, all of which were originally issued pursuant to the First General Bond Resolution and are held by the Fund.

Principal of and interest on the Series 20 Bonds are payable at the corporate trust office of The Chase Manhattan Bank, N.A., New York, New York, or at the option of the holder at Bank of America N.A., San Francisco, California, unless registered. Interest on the Series 20 Bonds is payable July 1, 1980 and semi-annually thereafter on each January 1 and July 1. The Series 20 Bonds will be issued as coupon bonds in the denomination of $5,000, registrable as to principal only, or as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described in the Official Statement. For information which may affect the market or market prices for and sources of payment of the Series 20 Bonds, see “PART I—INTRODUCTION” of the Official Statement and the references included therein.

The Series 20 Bonds are subject to redemption at the option of the Corporation on and after July 1, 1989, as a whole on any date, or in part by lot on any interest payment date or dates, at an initial redemption price of 102% (declining in increments of ¼% every two years to a redemption price of 100% on and after July 1, 1997) of the principal amount thereof, and from mandatory sinking fund installments on and after July 1, 2000 at a redemption price of 100% of the principal amount thereof, plus, in each case, accrued interest to the redemption date, pursuant to the following schedule:

<table>
<thead>
<tr>
<th>July 1</th>
<th>Sinking Fund Installment</th>
<th>July 1</th>
<th>Sinking Fund Installment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$4,960,000</td>
<td>2005</td>
<td>$7,590,000</td>
</tr>
<tr>
<td>2001</td>
<td>5,400,000</td>
<td>2006</td>
<td>8,265,000</td>
</tr>
<tr>
<td>2002</td>
<td>5,880,000</td>
<td>2007</td>
<td>9,000,000</td>
</tr>
<tr>
<td>2003</td>
<td>6,405,000</td>
<td>2008</td>
<td>9,800,000*</td>
</tr>
<tr>
<td>2004</td>
<td>6,970,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$64,270,000 8½% Term Bonds due July 1, 2008
(Accrued interest to be added)

The average life of the Series 20 Bonds is approximately 25½ years

This Supplement must be read in conjunction with the Official Statement to which this Supplement refers. Such Official Statement relates to the Corporation’s Series 19 Bonds.

Nothing in the Official Statement relating to underwriters or to an underwritten sale should be read as referring to the Series 20 Bonds.

* Payment at maturity.
NOTICE: This Supplemented Official Statement was prepared in connection with a private placement to certain institutional investors and is not intended for use, and should not be relied upon, for any other purpose or transaction. This document speaks as of December 14, 1979. At any subsequent date the information contained herein may be out of date and the Corporation has no obligation to keep this document up to date.

NEW ISSUE

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the Series 21 and 22 Bonds is exempt from Federal income taxes, and shall at all times be free from New York State and New York City personal income taxes.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
(A Public Benefit Corporation of the State of New York)

$209,680,000
Series 21 Bonds
(Issued Pursuant to the Second General Bond Resolution)

$150,320,000
Series 22 Bonds
(Issued Pursuant to the Second General Bond Resolution)

Dated December 1, 1979

Due July 1, 1999

Principal of and interest on the Series 21 Bonds are payable at the corporate trust office of Citibank, N.A., New York, New York, or at the option of the holder at Bank of America NT & SA, San Francisco, California, unless registered. Principal of and interest on the Series 22 Bonds are payable at the corporate trust office of Chase Manhattan Bank, N.A., New York, New York, or at the option of the holder at Bank of America NT & SA, San Francisco, California, unless registered. At the option of any Financial Institution or City Pension Fund, payment of the interest on fully registered Series 21 and 22 Bonds may be made pursuant to the Financing Agreement by check or wire transfer to such Financial Institution or City Pension Fund without presentation of such Bonds and without any notation of such payment being required. Interest on the Series 21 and 22 Bonds is payable July 1, 1980 and semi-annually thereafter on each January 1 and July 1. The Series 21 and 22 Bonds will be issued as coupon bonds in the denomination of $5,000 or $100,000 each, registrable as to principal only, or as fully registered bonds in the denomination of $5,000 or any integral multiple of $5,000. Coupon and registered bonds are interchangeable as more fully described herein.

The Series 21 and 22 Bonds are subject to redemption at the option of the Corporation on and after July 1, 1989 as a whole on any date, or in part on any interest payment date or dates, at an initial redemption price of 102% of the principal amount thereof, and from mandatory sinking fund installments, on each July 1 commencing July 1, 1984 at a redemption price of 100% of the principal amount thereof, plus, in each case, accrued interest to the redemption date, all as more fully described herein.

A portion of the proceeds of the Series 21 and 22 Bonds is to be applied to the partial refunding of the Series A Bonds of the Corporation.

The Trustee under the Second General Bond Resolution (pursuant to which the Series 21 and 22 Bonds are to be issued) is United States Trust Company of New York.

<table>
<thead>
<tr>
<th>Series</th>
<th>Due Date</th>
<th>Rate</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 21 Bonds</td>
<td>July 1, 1999</td>
<td>8½%</td>
<td>@ 100%</td>
</tr>
<tr>
<td>Series 22 Bonds</td>
<td>July 1, 1999</td>
<td>8½%</td>
<td>@ 100%</td>
</tr>
</tbody>
</table>

(Plus accrued interest)

The Series 21 and 22 Bonds are payable from certain per capita State aid and, to the extent not required for payment of certain obligations of the Corporation, including bonds issued under the Corporation's First General Bond Resolution, revenues derived from certain sales and compensating use taxes imposed by the State of New York within the City of New York and, under certain conditions, the State stock transfer tax. The State is not bound or obligated to continue to appropriate such per capita State aid or to continue the imposition of such taxes or to make the necessary payments of such per capita State aid or the necessary appropriations of the revenues derived from such taxes. The Corporation has no taxing power. The Series 21 and 22 Bonds do not constitute an enforceable obligation, or a debt, of either the State or the City, and neither the State nor the City shall be liable thereon. Neither the faith and credit nor the taxing power of the State or the City is pledged to the payment of principal or interest on the Series 21 and 22 Bonds.

The Series 21 and 22 Bonds are offered when, as and if issued by the Corporation and subject to approval of legality by Hawkins, Delafield & Wood, New York, New York, Bond Counsel to the Corporation. Certain legal matters will be passed on for the Corporation by its General Counsel, Paul, Weiss, Rifkind, Wharton & Garrison, New York, New York. It is expected that the Series 21 and 22 Bonds will be available for delivery on or about December 14, 1979.

The date of this Supplemented Official Statement is December 14, 1979.
The Series 21 and 22 Bonds can be redeemed at the option of the Corporation only if the ratio of outstanding Series 21 Bonds to Series 22 Bonds immediately prior and immediately after such redemption remains substantially constant.

**Sinking Fund Redemption**

The Series 21 and 22 Bonds are also subject to redemption, in part by lot, on July 1 in each of the years, and in the respective principal amounts, set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory “Sinking Fund Installments” which are required to be made in amounts sufficient to redeem on July 1 of each year, the principal amount of such Series 21 and 22 Bonds specified for each of the years shown below:

**SINKING FUND INSTALLMENTS**

(Dollars in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Series 21</th>
<th>Series 22</th>
<th>Year</th>
<th>Series 21</th>
<th>Series 22</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984</td>
<td>$ 9,970</td>
<td>$ 7,145</td>
<td>1992</td>
<td>$ 4,390</td>
<td>$ 3,150</td>
</tr>
<tr>
<td>1985</td>
<td>10,905</td>
<td>7,820</td>
<td>1993</td>
<td>29,850</td>
<td>21,400</td>
</tr>
<tr>
<td>1986</td>
<td>8,695</td>
<td>6,235</td>
<td>1994</td>
<td>32,620</td>
<td>23,390</td>
</tr>
<tr>
<td>1987</td>
<td>8,640</td>
<td>6,195</td>
<td>1995</td>
<td>35,650</td>
<td>25,560</td>
</tr>
<tr>
<td>1988</td>
<td>750</td>
<td>535</td>
<td>1996</td>
<td>38,960</td>
<td>27,930</td>
</tr>
<tr>
<td>1990</td>
<td>3,675</td>
<td>2,635</td>
<td>1998</td>
<td>6,050</td>
<td>4,335</td>
</tr>
<tr>
<td>1991</td>
<td>4,015</td>
<td>2,880</td>
<td>1999</td>
<td>6,610*</td>
<td>4,735*</td>
</tr>
</tbody>
</table>

* Payment at maturity.

Giving effect to the Sinking Fund Installments set forth above, the average life of the Series 21 and 22 Bonds would be approximately 13.47 years calculated from December 14, 1979.

The Corporation may from time to time direct the Trustee to purchase with moneys in the Bond Service Fund, Series 21 or 22 Bonds at or below par plus unpaid interest accrued to the date of such purchase, and apply any Bonds so purchased as a credit, at par, against and in fulfillment of a required Sinking Fund Installment on the particular Series so purchased. See “PART 14—SUMMARY OF CERTAIN PROVISIONS OF THE SECOND GENERAL BOND RESOLUTION—Bond Service Fund.” To the extent the Corporation fulfills its obligations to make Sinking Fund Installments in a particular year through such purchases, the likelihood of redemption by lot of any bondholder’s Series 21 or 22 Bonds through the operation of the sinking fund will be reduced for such year. The Corporation has in the past made such purchases with respect to certain series of its Second Resolution Bonds and may in the future do so with respect to the Series 21 and 22 Bonds. Under the Financing Agreement, no Financial Institution or City Pension Fund may sell Series 21 or 22 Bonds in a direct placement to the Corporation or the Trustee.

**Trustee**

United States Trust Company of New York is the Trustee under the Second General Bond Resolution. Its corporate trust office is located at 130 John Street, New York, New York 10038. For further information concerning the Trustee, see “PART 15—TRUSTEE.”

**Additional Bonds and Notes**

Pursuant to the Act, the Corporation is authorized to issue bonds and notes in an aggregate principal amount not exceeding $8.8 billion (exclusive of the refunding portion of the Series 21 and 22 Bonds and other bonds and notes issued to refund outstanding bonds and notes, and notes issued to meet the City’s seasonal borrowing requirements). For purposes of this authorization, the Corporation will have
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
U.S. TREASURY SECURITIES FOR SERIES 66 BONDS

COST OF GOVERNMENT SECURITIES(1)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>MATURITY</th>
<th>COUPON</th>
<th>PRICE (32nds)</th>
<th>YIELD(2)</th>
<th>PAR AMOUNT</th>
<th>PRINCIPAL DOLLARS</th>
<th>ACCRUED INTEREST</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVT</td>
<td>8 15 1988</td>
<td>9.500</td>
<td>100-10</td>
<td></td>
<td>309,775,000</td>
<td>310,743,046.88</td>
<td>11,561,245.54</td>
<td>322,304,292.42</td>
</tr>
</tbody>
</table>

TOTALS

309,775,000 | 310,743,046.88 | 11,561,245.54 | 322,304,292.42 |

-----------------------------
(1) GOVERNMENT SETTLEMENT DATE 7 7 1988
MARKET PRICES ON 6 17 1988
(2) DISCOUNT RATE FOR TBILLS

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
U.S. TREASURY SECURITIES FOR SERIES 66 BONDS

ESCROW CASH FLOW SCHEDULE(1)

<table>
<thead>
<tr>
<th>PERIOD ENDING</th>
<th>COUPON</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>TOTAL CASH FLOW</th>
<th>ESCROW FUND REQUIREMENT</th>
<th>DIFFERENCE</th>
<th>CUMULATIVE DIFFERENCE</th>
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</thead>
<tbody>
<tr>
<td>8 15 1988</td>
<td>9.500</td>
<td>309,775,000</td>
<td>14,714,312.50</td>
<td>324,489,312.50</td>
<td>324,488,893.19</td>
<td>419.31</td>
<td>419.31</td>
</tr>
</tbody>
</table>

TOTALS

309,775,000 | 14,714,312.50 | 324,489,312.50 | 324,488,893.19 | 419.31 | 419.31 |

(1) SEE GOVERNMENT SECURITIES TABLE
SUBSCRIPTION FOR PURCHASE AND ISSUE OF
U.S. TREASURY SECURITIES —
STATE AND LOCAL GOVERNMENT SERIES

To: Federal Reserve Bank or Branch at New York, New York

1. Pursuant to the provisions of Department of the Treasury Circular, Public Debt Series No. 3-72, current revision, the undersigned hereby subscribes to the purchase of the following securities:

   a. ☑ United States Treasury Certificates of Indebtedness — State and Local Government Series (SCHEDULE 1)
      TOTAL AMOUNT $ 370,764,500

   b. ☑ United States Treasury Notes — State and Local Government Series (SCHEDULE 2)
      TOTAL AMOUNT $ 370,764,500

   ☐ United States Treasury Bonds — State and Local Government Series (SCHEDULE 3)
      TOTAL AMOUNT $ 370,764,500

   GRAND TOTAL $ 370,764,500

as described on the attached schedules, which are incorporated by reference to this subscription, to be used as entries on the books of the Bureau of the Public Debt, Department of the Treasury.

2. The undersigned certifies that the total investment (1) consists only of the proceeds of obligations described in Section 103(a) of the Internal Revenue Code, and (2) is not more nor less, within authorized multiples ($1,000 minimum and increments of $100 over such amount), directly subject to yield restrictions under Section 103(c) of the Code, and the regulations issued thereunder, except for any portion thereof required for a payment due less than 45 days from the date settlement is made for the securities subscribed for.

3. The undersigned requests that book-entry accounts be established for:

   Name of owner Municipal Assistance Corporation for the City of New York

4. The undersigned:

   a. ☑ submits payment in full herewith for the above securities, as shown below.

   b. ☑ requests that issuance be deferred until _______ 7/07/88 _______ (not to exceed by more than 60 days the date on which this subscription is received at a Federal Reserve Bank or Branch or, where mailed, by the stamp date appearing on the registered or certified mail envelope in which it is received), and agrees to make payment on that date.

5. The undersigned further certifies that the following official(s), by title(s), are authorized, subject to the provisions of the above circular, to request redemption prior to maturity of the securities (if no one has been so authorized, enter the word "none").

   Dated this 20 day of June, 1988

   (212) 775-0010
   Municipal Assistance Corporation
   for the City of New York

   By: Frances Higgins, City Treasurer

   FOR USE BY BANK IN TRANSMITTING PAYMENT FOR ABOVE SECURITY

   (The issue date of the account will be the date specified in this subscription, provided payment therefor in readily available funds is received herewith or within the time limitation specified above. Where payment is submitted separately, it should be accompanied by a copy of this subscription.)

   ☑ Check enclosed 7/07/88
   ☑ Charge our reserve a/c on (Date)
   ☐ Other

   (Name and Title)

   FOR USE OF FEDERAL RESERVE BANK

   ACCOUNT NUMBERS

   C OF I'S: From: Through: Applicable Interest Rate Table No.

   NOTES: From: Through: Issue Date:

   BONDS: From: Through:

   Date credited to Treas. Acct. (cannot be subsequent to issue date)

   FOR USE OF THE DIVISION OF SECURITIES OPERATIONS

   Approved
   Date

   By
<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Maturity Date</th>
<th>Issue Date</th>
<th>Federal Reserve Bank of New York</th>
</tr>
</thead>
<tbody>
<tr>
<td>355,652,000</td>
<td>6.95%</td>
<td>7/07/88</td>
<td>7/07/88</td>
<td></td>
</tr>
<tr>
<td>15,112,500</td>
<td>6.00%</td>
<td>7/07/88</td>
<td>7/07/88</td>
<td></td>
</tr>
<tr>
<td>7/07/89</td>
<td>10/07/89</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**NOTE:** The interest rate on each certificate may not exceed the maximum interest rate for Treasury securities of comparable terms of maturity as shown in the Treasury circulars.

**MAIL CHECK TO:**

[Address]

**NAME AND ADDRESS OF SUBSCRIBER'S BANK:**

[Address]

**NAME AND ADDRESS OF OWNER:**

[Address]
20 June 1988

Mr. James M. De Pasquale
Deputy Chief Budget Examiner
Management Review and Labor Relations Unit
State Capital/Room 133
Albany, New York 12224

Re: Internal Audit

Dear Mr. De Pasquale:

I am enclosing the Municipal Assistance Corporation's completed Internal Audit Evaluation Questionnaire recently received from the State Budget Director.

I hope that this information is useful to you. However, it is important to note that the Corporation is a Public Benefit Corporation and not a State Agency. Accordingly, under the terms of the applicable statutes, our Board of Directors determines the appropriate actions to take regarding internal audit functions for the Corporation.

Sincerely,

[Signature]

Stephen J. Weinstein
Executive Director

Enclosure

ba:lll
I.

1. The Municipal Assistance Corporation was established pursuant to Section 3001 et seq. of the Public Authorities Law of the State of New York in June 1975 to provide financing for the City of New York and to oversee certain aspects of its fiscal affairs.

2. The Corporation's operations are managed by a nine-member Board of Directors and a staff headed by four officers -- Executive Director, Treasurer and Deputy Executive Director, Counsel and Secretary, and Deputy Treasurer. There are four other professional employees and five members of the support staff.

3. The Corporation's staff is small, and therefore not divided into formal organizational units. The staff's duties are comprised of finance and investment-related activities, City budget-monitoring activities, and legal and administrative matters, all subject to management by the appropriate officers, who report to the Board of Directors either in its entirety or through one of its Committees.
4. See answer to Question 2.

II.

1. The Corporation does not award grants. Contracts are entered into in accordance with the Corporation's Personal Services Contract Guidelines, promulgated pursuant to State law (Public Authorities Law Section 2879), which provide for both competition and enumerated exceptions, and in accordance with the Corporation's By-Laws and Administrative Guidelines.

2. Not applicable.

3. Performance of contract terms is monitored by the officer of the Corporation primarily responsible for the operational area covered by the contract. Appropriate staff members must verify in writing that services or goods have been performed or delivered satisfactorily in accordance with the contract terms before payments are made.

III.

1. The Corporation's operations require a system of controls in two principal areas -- investment of funds and incurring of expenditures.
While all of the Corporation's funds are held by United States Trust Company of New York, which serves as Trustee under the Corporation's two general bond resolutions, instructions as to investment and expenditure of these funds come from designated officers of the Corporation. The Corporation's investment policies are overseen by an Investment Committee of the Board of Directors and governed by Investment Guidelines promulgated pursuant to State law (Public Authorities Law Section 2925). These policies stipulate controls and constraints additional to those in the bond resolutions. The Corporation has an established system on computer, requiring the input of information and the approval of such input by a second party, with policies and procedures known to both the Corporation's staff and U.S. Trust employees, to safeguard operations.

With respect to expenditures, the Corporation has written Administrative Guidelines for internal budgeting and reporting, as well as for expenditure authorization, verification and payment, with results reported formally at least quarterly to the Administration Committee of the Board of Directors.
3. The staff of the Corporation is small -- ranging from twelve to sixteen people over the years -- with low turnover experience. Consequently, regular formal training programs have been unnecessary. New employees are thoroughly indoctrinated by an officer of the Corporation as to the control systems incidental to their duties during the period following their initial employment by the Corporation. Where appropriate, in connection with new activities or responsibilities, individual employees participate in professional training programs related to their functional areas.

4. The Corporation's internal control systems are scrutinized annually during the Corporation's audit by its independent accountants. Any concerns are brought to the attention of the Executive Director and their resolution addressed jointly. A management letter to the Board of Directors is prepared by the auditors where situations warrant, although such instances have been infrequent and of relatively minor consequence. In addition, the systems are considered periodically, along with any changes implemented or proposed, particularly in conjunction with the Audit Committee's quarterly meetings, along with consideration by other
Board Committees when appropriate. The independent accountants regularly attend quarterly meetings of the Audit Committee.

5. Execution of transactions involving the investment or expenditure of funds of the Corporation requires the approval of an individual other than the person implementing the transaction. Established software systems employ a series of security safeguards regarding access by staff members and limitations on possible actions corresponding to areas of authorized activities. These security provisions are periodically changed and improved, and are subject to review by the Corporation's outside accountants.

Parallel computer records regarding investments are maintained by the Corporation and United States Trust Company of New York, and access to these records is on an as-needed basis, requiring passwords, which are known only to the individuals responsible for performing the tasks and are changed periodically. All such computer records are transferred onto tape on a daily basis, and these tapes are stored in a vault at U.S. Trust on a weekly basis. All other computer
records are duplicated weekly and stored off of the Corporation's office premises in a secure environment.

6. No major weaknesses have come to the Corporation's attention in recent years. Areas identified by officers, accountants or Board Committees are addressed expeditiously under the supervision of the Executive Director and the actions taken reported to the initiating individuals.

IV.
1. No, because of the small size of the Corporation's staff, the finite scope of its activities, the daily direct involvement of the officers in its activities, plus the regular reporting and review of its operations by both Board Committees and independent auditors, as more fully described above.

2. Not applicable.

3. Not applicable.

4. No.
V.

1. The Corporation administers debt service funds, capital reserve funds and an operating fund established pursuant to its State enabling legislation and its general bond resolutions. In addition, there are funds established as authorized by statute but outside the contractual lien of the resolutions to meet certain operating needs, such as purchase of the Corporation's own securities in the open market to meet sinking fund requirements mandated by the bond resolutions. Monies in the Corporation's funds emanate from the statutory certification procedure for State revenues (the Special Sales Tax imposed within New York City, the Stock Transfer Tax, and Per Capita Aid otherwise payable to the City) set forth in Sections 3036 and 3036-a of the Public Authorities Law, along with investment income, and, until December 31, 1984, bond proceeds.

2. See enclosed Annual Report for the Corporation's fiscal year ended June 30, 1987, which includes the audited Financial Statements for that year.

3. The Corporation does not receive any cash payments from any source. In the normal course of business, the
INTERNAL AUDIT
EVALUATION QUESTIONNAIRE

AGENCY:_________________________________________

ADDRESS:_______________________________________

AGENCY REPRESENTATIVE:________________________ PHONE NUMBER:____________

I. Agency Overview/Organization

An essential feature of a properly functioning system of internal control is a plan of organization and all the associated methods and measures adopted by an agency's management to promote operational efficiency and adherence to established policies, procedures and regulations. As the operating responsibilities of an agency increase, the needed information and control systems must also become more sophisticated. This complexity can affect the magnitude of potential losses and increase exposure to error or risk. Consider the ramifications of the preceding statements and the complexity of your agency's operations as you prepare your responses to the following:

1. Briefly describe the agency's mission and programs and, if applicable, identify the legal basis for the agency.

2. Describe the organizational structure of the agency. Discuss the organizational units in terms of span of control and separation of duties. (Provide agency and pertinent programmatic and organizational charts as appropriate).

3. Briefly discuss major organizational units in terms of major operating responsibility, decision-making processes and level of autonomy.

4. Describe the major characteristics of your workforce, including the percentage distribution of titles (i.e. managers, professional, support, etc.) and the deployment of positions between locations (i.e. central v. field offices etc.). In addition, note any problems or special considerations your agency has concerning recruitment, retention and training of qualified staff.

II. Contract and Grant Management

The receipt and distribution of resources between various levels of government and service providers is a significant function of State government. It is also an area of operation that requires strong internal accounting and administrative controls in order to avoid potential conflicts of interest and abuse of agency resources. The management and monitoring of subrecipient grants and contracts has been the subject of repeated findings from state and federal auditors.
1. Discuss your policy and procedures for awarding, managing, and monitoring grants and contracts, including labor management committee funds or other non-salary contractual items and legislative initiatives.

2. Describe the nature and scope of your awards and grants by indicating the estimated number of recipients and estimated dollar amount as well as the type of recipients (e.g., local government, school districts, not-for-profits, labor management committees, etc.) for the 1987-88 fiscal year.

3. Explain how your agency ensures that recipients spend funds in accordance with laws and regulations governing programs, and in compliance with contract or grant terms.

III. Agency Control Systems

The design and operation of an internal control system are important in evaluating the likelihood that errors or irregularities might occur and remain undetected within an organization. Ineffective or outdated control systems present a higher exposure to risk of problems occurring and remaining undetected.

1. Describe your basic internal control systems and the documents used to support those systems. Are these systems comprehensive, up-to-date and available for all functions?

2. How is compliance with these control systems monitored?

3. What, if any, programs do you have to train agency personnel in agency policies, procedures and control systems? What is the structure and frequency of these programs?

4. How often are the agency's internal control policies and procedures reviewed/revised? What is the structure of the review process and who is responsible for these activities (e.g. supervisors, managers, committees, task forces)?

5. What is the nature of existing EDP controls to ensure that data are accurate and reliable and safeguarded to prevent unauthorized access, improper changes or loss?

6. Describe the methods and procedures used by your agency to correct identified control weaknesses.

IV. Internal Audit

Internal audit is defined as a formal and independent appraisal function established within an organization to review and evaluate operations and report its findings to the chief executive officer. As such, it operates as a service to management and a measure to improve program performance.
1. Does your agency currently have an internal audit unit? If so, describe the unit's organization, staffing, reporting practices and operation.

2. Does the unit have an annual audit plan? If so, how is it developed?

3. Does the unit conduct internal EDP audits? If so, what is the frequency and scope of these audits?

4. Does your agency currently have an Inspector General function? If so, to what extent does your internal audit unit relate to and coordinate with that function?

V. Fiscal

The size and complexity of an agency's funding structure is an important factor to consider when evaluating the need for an internal audit function. Many State agencies depend on a variety of funding sources that require complex systems to manage and control transactions to ensure efficient and effective program operations.

1. Briefly describe the funding structure of your agency including the types of funds you administer, (e.g., general fund, capital projects fund, federal funds, internal service funds and special revenue funds) and fund categories (State Operations, Local Assistance).

2. Identify the estimated amount and sources (e.g., contracts, grants, users fees, fines, assessments, etc.) of revenue or other assets collected annually by your agency.

3. Describe your procedures for receiving, recording, depositing, and managing cash and checks.

VI. Risk Exposure Analysis

A fundamental part of your evaluation of whether an internal audit function is needed should focus on the extent to which your operations are potentially vulnerable to such factors as error, misuse of resources, inefficiency, unfavorable public opinion, fraud, waste, or abuse. In making this assessment you should consider the following factors and determine to what extent, if at all, they contribute to your potential vulnerability:

-- complexity of agency operations
-- frequency and effectiveness of internal audits
-- frequency and effectiveness of external audits
-- number of confidential public issues
and/or sensitive program areas
-- stability and training of personnel
-- level of control consciousness or
awareness among staff
-- scope/size of regional/district
office structure
-- extent of regulatory control
-- potential for disruption of services
-- program growth rates
-- volume of cash transactions (revenue
or fee collections, etc.)
-- reliability of management information
systems
-- presence of documented operating
procedures

1. Based on your review of current programs and operations, describe
your agency's highest risk, highest vulnerability areas including
an explanation of your assessment of vulnerability.

2. Does your agency have a formal planning process which includes
risk analyses? If so, explain the specifics of the risk analyses
process.

VII. Summary Evaluation

Based on the preceding information and other management
considerations that you deem appropriate, indicate your conclusion as to
whether your agency requires an internal audit function. Fully explain the
major factors that lead to your conclusion either to have or not have an
internal audit function.
20 June 1988

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
1285 Sixth Avenue
New York, New York 10019

Ladies and Gentlemen:

In various letters, the most recent dated May 2, 1988, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of today of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated May 2, 1988 in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

Please advise Price Waterhouse that whenever, in the course of performing legal services for the Corporation with respect to a matter recognized by you to involve an unasserted possible claim or assessment that may call for financial statement disclosure, you as a matter of professional responsibility to the Corporation will so advise the Corporation and will consult with the Corporation concerning the question of such disclosure.

We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.
20 June 1988
PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
Page Two

Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

Maxine H. Gillman
Counsel

bba:105

cc: Mr. Colm Keogh
Price Waterhouse
153 East 53rd Street (#4190)
New York, New York 10022
20 June 1988

ORRICK, HERRINGTON & SUTCLIFFE
599 Lexington Avenue/29th Floor
New York, New York 10022

Ladies and Gentlemen:

In various letters, the most recent dated May 2, 1988, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate our advising them as of today of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated May 2, 1988 in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

Please advise Price Waterhouse that whenever, in the course of performing legal services for the Corporation with respect to a matter recognized by you to involve an unasserted possible claim or assessment that may call for financial statement disclosure, you as a matter of professional responsibility to the Corporation will so advise the Corporation and will consult with the Corporation concerning the question of such disclosure.

We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.
20 June 1988
ORRICK, HERRINGTON & SUTCLIFFE
Page Two

Please specifically identify the nature and reasons for any limitation on your response to any of the inquiries in this letter.

Please provide the Corporation with a copy of your letter.

Sincerely,

Maxine H. Gillman
Counsel

bba:105

cc: Mr. Colm Keogh
Price Waterhouse
153 East 53rd Street (#4190)
New York, New York 10022
By Messenger

20 June 1988

Ms. Catherine E. Hutcheson
Vice President
Security-Columbian Division
UNITED STATES BANKNOTE CORPORATION
345 Hudson Street
New York, New York 10014

Re: Series 66 Bond Printing

Dear Kay:

This letter is to authorize you to print the Series 66 Bonds of the Municipal Assistance Corporation, in accordance with the following specifications.

The bonds are to be in registered form only, in blank denomination, with the following maturities and interest rates, each maturity to be numbered consecutively and separately. A total of 50,000 certificates is to be printed in the quantities shown below.

<table>
<thead>
<tr>
<th>Due</th>
<th>Rate</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1989</td>
<td>5.20%</td>
<td>1,500</td>
</tr>
<tr>
<td>1990</td>
<td>5.70</td>
<td>2,000</td>
</tr>
<tr>
<td>1991</td>
<td>6.00</td>
<td>2,000</td>
</tr>
<tr>
<td>1992</td>
<td>6.20</td>
<td>2,000</td>
</tr>
<tr>
<td>1993</td>
<td>6.40</td>
<td>8,000</td>
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<tr>
<td>1994</td>
<td>6.60</td>
<td>10,000</td>
</tr>
<tr>
<td>1995</td>
<td>6.80</td>
<td>10,000</td>
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<td>1996</td>
<td>6.90</td>
<td>3,000</td>
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<tr>
<td>1997</td>
<td>7.00</td>
<td>1,500</td>
</tr>
<tr>
<td>1998</td>
<td>7.10</td>
<td>1,500</td>
</tr>
<tr>
<td>1999</td>
<td>7-(\frac{1}{8})</td>
<td>1,000</td>
</tr>
<tr>
<td>2008</td>
<td>7-3/4</td>
<td>7,500</td>
</tr>
</tbody>
</table>

The Series 66 Bonds should be delivered to the United States Trust Company of New York, 770 Broadway (7th Floor), New York, New York (Attention: Mr. Kenneth Mardner), no later than 10:00 A.M. on Thursday, June 30, 1988.
20 June 1988
Ms. Catherine E. Hutcheson
Page 2

This schedule and the specifications set forth in this letter are subject to change at the direction of the Corporation.

Please provide a price quotation for this work as soon as possible.

Sincerely,

[Signature]
Maxine H. Gillman
Counsel

: bba: 122

cc: Kent K. Reynolds, Esq.
    Orrick, Herrington & Sutcliffe

    Mr. Pat Santivasci
    United States Trust Company of New York
BY MESSENGER

20 June 1988

Standard & Poors Corporation
CUSIP Service Bureau
25 Broadway - 3rd Floor
New York, New York 10004

Gentlemen:

Kay Hutcheson, of United States Banknote Corporation, has asked me to forward certain information to you regarding the sale of $700,600,000 Series 66 Bonds by the Municipal Assistance Corporation. I am enclosing a copy of the Corporation's Preliminary Official Statement, dated June 15, 1988, relating to such sale. The Series 66 Bonds will be comprised of serial bonds aggregating $653,150,000, to bear interest and to be sold as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT</th>
<th>INTEREST RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>$48,745,000</td>
<td>5.20%</td>
</tr>
<tr>
<td>1990</td>
<td>49,660,000</td>
<td>5.70</td>
</tr>
<tr>
<td>1991</td>
<td>49,580,000</td>
<td>6.00</td>
</tr>
<tr>
<td>1992</td>
<td>49,545,000</td>
<td>6.20</td>
</tr>
<tr>
<td>1993</td>
<td>100,595,000</td>
<td>6.40</td>
</tr>
<tr>
<td>1994</td>
<td>113,575,000</td>
<td>6.60</td>
</tr>
<tr>
<td>1995</td>
<td>126,910,000</td>
<td>6.80</td>
</tr>
<tr>
<td>1996</td>
<td>73,655,000</td>
<td>6.90</td>
</tr>
<tr>
<td>1997</td>
<td>14,895,000</td>
<td>7.00</td>
</tr>
<tr>
<td>1998</td>
<td>15,605,000</td>
<td>7.10</td>
</tr>
<tr>
<td>1999</td>
<td>10,385,000</td>
<td>7.25</td>
</tr>
</tbody>
</table>

The Series 66 Bonds are also comprised of term bonds aggregating $47,450,000, which will mature July 1, 2008 and will bear interest at 7.75% annually. The Series 66 Term Bonds due July 1, 2008 are subject to mandatory sinking fund installments in the following amounts:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$3,760,000</td>
</tr>
<tr>
<td>2001</td>
<td>4,065,000</td>
</tr>
<tr>
<td>2002</td>
<td>4,405,000</td>
</tr>
<tr>
<td>2003</td>
<td>4,770,000</td>
</tr>
<tr>
<td>2004</td>
<td>5,165,000</td>
</tr>
<tr>
<td>2005</td>
<td>5,585,000</td>
</tr>
<tr>
<td>2006</td>
<td>6,055,000</td>
</tr>
<tr>
<td>2007</td>
<td>6,550,000</td>
</tr>
</tbody>
</table>
20 June 1988
Page 2

It is anticipated that the closing for the Series 66 Bonds will take place July 7, 1988. If you have any further questions regarding the Series 66 Bonds, please feel free to contact me.

Sincerely,

Maxine H. Gillman
Counsel

Enclosure

MHG:vsj#122
June 20, 1988

Honorable Edward I. Koch, Mayor
ATT: Paul Dickstein, Director
OFFICE OF MANAGEMENT AND BUDGET
1210 Municipal Building
One Centre Street
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: Henry Dufresne, Principal Accountant
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12225

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 70 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated June 20, 1988.

Certificate Number 70 relates to the cash needs of the Corporation for fiscal years 1988 and 1989 with respect to the Series 5 through 65 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,

[Signature]

Quentin B. Spector
Treasurer

Enclosures

cc: Attached

bba:123
June 20, 1988
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Ms. Margaret Van Doren Cook
James M. Dubin, Esq.
Mr. Michael Gibbons
Maxine H. Gillman, Esq.
Robert R. Grew, Esq.
Mr. Steven M. Levine
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivasci
Mr. Quentin B. Spector
MUNICIPAL ASSISTANCE CORPORATION
SCHEDULE A

<table>
<thead>
<tr>
<th>Bond Service Fund Under Section 3036-a of the Public Authorities Law, Established Pursuant to the Second General Bond Resolution Adopted November 25, 1975*</th>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$100,300,000</td>
<td>06/25/88**</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1988)</td>
<td>$100,300,000</td>
<td></td>
</tr>
<tr>
<td>$162,043,000</td>
<td>10/12/88</td>
<td></td>
</tr>
<tr>
<td>$162,043,000</td>
<td>01/12/89</td>
<td></td>
</tr>
<tr>
<td>$162,043,000</td>
<td>04/12/89</td>
<td></td>
</tr>
<tr>
<td>$158,188,000</td>
<td>06/25/89***</td>
<td></td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1989)</td>
<td>$644,317,000</td>
<td></td>
</tr>
</tbody>
</table>

NOTES:
* Any payment or payments on June 30, October 12, 1988 or January 12, April 12, or June 30, 1989 from revenues derived from the sales and compensating use taxes imposed pursuant to Section 1107 and 1108 of the Tax Law and stock transfer tax imposed pursuant to Article 12 of the Tax Law are subject and subordinate to and after payments required by such dates under Certificate Number 74 of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1988 fiscal year on or before June 25, 1988 are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1988 payments to the Corporation subject and subordinate to the payments referred to in the prior footnote.

*** To the extent payments made to the Corporation for the 1989 fiscal year on or before June 25, 1989 are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1989 payments to the Corporation subject and subordinate to the payments referred to in the prior footnote.

June 20, 1988
Certificate Number 70
123
CERTIFICATE NUMBER 70 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation.

This Certificate and Schedule A hereto which is incorporated herein expressly revise any and all certifications heretofore made pursuant to said Section 3036-a in respect of bonds issued pursuant to the Second General Bond Resolution to the aforesaid Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 20th day of June 1988.

[Signature]
Chairman

bba:123
June 20, 1988

Honorable Edward I. Koch, Mayor
ATT: Paul Dickstein, Director
OFFICE OF MANAGEMENT AND BUDGET
1210 Municipal Building
One Centre Street
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: Henry Dufresne, Principal Accountant
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12225

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 74 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated June 20, 1988.

Certificate Number 74 relates to the cash needs of the Corporation for the 1988 and 1989 fiscal years with respect to the Series EE through Series HH Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,

Quentin B. Spector
Treasurer

Enclosures
cc: Attached
bba:123
June 20, 1988
Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Ms. Margaret Van Doren Cook
James M. Dubin, Esq.
Mr. Michael Gibbons
Maxine H. Gillman, Esq.
Robert R. Grew, Esq.
Mr. Steven M. Levine
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivasci
Mr. Quentin B. Spector
# MUNICIPAL ASSISTANCE CORPORATION
## SCHEDULE A

<table>
<thead>
<tr>
<th>Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975</th>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$71,800,000</td>
<td>06/30/88</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1988)</td>
<td>$71,800,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$73,089,000</td>
<td>10/12/88</td>
</tr>
<tr>
<td></td>
<td>73,089,000</td>
<td>01/12/89</td>
</tr>
<tr>
<td></td>
<td>72,308,000</td>
<td>04/12/89</td>
</tr>
<tr>
<td></td>
<td>72,308,000</td>
<td>06/30/89</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1989)</td>
<td>$290,794,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Fund Under Section 3036 of the Public Authorities Law</th>
<th>Amount</th>
<th>Date Required on or before</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,900,000</td>
<td>01/12/89</td>
</tr>
<tr>
<td>TOTAL (Fiscal Year 1989)</td>
<td>$5,900,000</td>
<td></td>
</tr>
</tbody>
</table>

June 20, 1988

Certificate Number 74

:123
CERTIFICATE NUMBER 74 OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK TO THE COMPTROLLER OF THE STATE OF NEW YORK AND TO THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation.

The Certificate and Schedule A hereto which is incorporated herein expressly revise any and all certifications heretofore made pursuant to said Section 3036 in respect of bonds issued pursuant to the First General Bond Resolution to the aforesaid Comptroller and Mayor.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Corporation this 20th day of June 1988.

[Signature]
Chairman

bba:123
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Present</td>
<td>1.144</td>
<td>1.144</td>
<td>1.144</td>
<td>1.144</td>
<td>1.144</td>
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<td>1.144</td>
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</tr>
<tr>
<td>Total</td>
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<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
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<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
</tr>
<tr>
<td>1996</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
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<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
<td>1.100</td>
</tr>
<tr>
<td>1997</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
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<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
<td>1.135</td>
</tr>
</tbody>
</table>

**Note:**
- The table is a part of a report, but the full context of the document is not visible in the provided image. The table seems to contain financial or statistical data, possibly related to a series of years from 1996 to 1999. The specific details or the context of the data are not clear from the image alone.
## MUNICIPAL ASSISTANCE CORPORATION

### PROJECTED AVAILABLE SOURCES
AFTER REMAINING "MAC I" AND "MAC II" COMMITMENTS
($ Million)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Earnings (All Funds)</th>
<th>Capital Reserve Releases</th>
<th>Series 57-66 Refundings</th>
<th>MAC II Uses</th>
<th>Projected Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989*</td>
<td>168</td>
<td>2</td>
<td>135</td>
<td>135</td>
<td>170</td>
</tr>
<tr>
<td>1990</td>
<td>69</td>
<td>0</td>
<td>125</td>
<td>145</td>
<td>49</td>
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<tr>
<td>1991</td>
<td>82</td>
<td>0</td>
<td>109</td>
<td>145</td>
<td>46</td>
</tr>
<tr>
<td>1992</td>
<td>69</td>
<td>111</td>
<td>87</td>
<td>75</td>
<td>192</td>
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<tr>
<td>1993</td>
<td>69</td>
<td>0</td>
<td>95</td>
<td>100</td>
<td>64</td>
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<tr>
<td>1994</td>
<td>69</td>
<td>0</td>
<td>109</td>
<td>110</td>
<td>68</td>
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<tr>
<td>1995</td>
<td>59</td>
<td>332</td>
<td>107</td>
<td>440</td>
<td>58</td>
</tr>
<tr>
<td>1996</td>
<td>49</td>
<td>(56)</td>
<td>54</td>
<td>-</td>
<td>47</td>
</tr>
</tbody>
</table>

**Total**

$634  $389  $821**  $1,150**  694

---

1. Assumes return rates of 7% on Second Resolution Capital Reserve, 6.5% on First Resolution Capital Reserve and 5.5% on Debt Service Funds. For 1988, includes carryovers from prior years earnings and deferments of City takedowns.

2. Excludes effects of implementation of $300 million of MAC debt acceleration committed at time of MAC II Agreement; does not include as either source or use debt service savings attributable to early redemption of Series 7 on July 1, 1987 -- $25 million annually in 1987-1991 and $50 million annually in 1992-1995.

* Does not include $80 million of MAC I sources and uses deferred from 1988 to 1989.

20 June 1988

DEAN WITTER REYNOLDS INC.
2 World Trade Center/59th Floor
NEW YORK, NEW YORK
Attention: Joseph Darcy

Re: Series 66 Bonds -- Purchase of U.S. Treasury Obligations

Ladies and Gentlemen:

The Municipal Assistance Corporation hereby accepts your proposal to sell us the portfolio of non-certificated and non-callable U.S. Treasury obligations (the "Treasury Obligations"), at an aggregate price of $322,304,292.42 as shown on your proposal dated today, a copy of which is attached. The purchase price shall be paid in Federal funds.

Substitution of securities will be permitted only under the following circumstances: (1) such substitution occurs on or prior to the close of business on Tuesday, July 5, 1988; (2) such substituted securities consist entirely of non-certificated and non-callable U.S. Treasury obligations; and (3) such substituted securities, at maturity, will provide sufficient monies to provide for the payment of the Redemption Price (102% of the principal amount) and accrued interest on the Corporation's Series 11, 12, and 13 Bonds coming due after July 1, 1988, on August 15, 1988, and such sufficiency has been verified by the Corporation's bond counsel, Orrick, Herrington & Sutcliffe. In the event of a substitution, you have agreed to pay the cost of verification of defeasance by an independent third party, if such a verification is required.
20 June 1988
DEAN WITTER REYNOLDS INC.
Page Two

Delivery of the Treasury Obligations shall be made at the United States Trust Company of New York as close as possible to 9:00 A.M. on the date of closing of the Corporation's Series 66 Bonds, currently scheduled to be Thursday, July 7, 1988. We will advise you as to any postponement of such closing date, which in no event shall be later than Thursday, July 14, 1988.

It is understood and agreed between us that if for any reason the Series 66 Bonds are not issued on or before July 14, 1988, the Corporation's obligation to purchase and your obligation to sell the Treasury Obligations shall thereupon terminate without liability on the part of either the Corporation or you.

Sincerely,

[Signature]
Quentin B. Spector
Deputy Executive Director and Treasurer

Accepted and Agreed:
Dean Witter Reynolds Inc.
By:  ______________________

Attachments
bba:122
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK  
U.S. TREASURY SECURITIES FOR SERIES 66 BONDS  

COST OF GOVERNMENT SECURITIES(1)  

<table>
<thead>
<tr>
<th>TYPE</th>
<th>MATURITY</th>
<th>COUPON</th>
<th>PRICE (32nds) YIELD(2)</th>
<th>PAR AMOUNT</th>
<th>PRINCIPAL DOLLARS</th>
<th>ACCRUED INTEREST</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVT</td>
<td>8 15 1988</td>
<td>9.500</td>
<td>100-10</td>
<td>309,775,000</td>
<td>310,743,046.88</td>
<td>11,561,245.54</td>
<td>322,304,292.42</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td></td>
<td></td>
<td>309,775,000</td>
<td>310,743,046.88</td>
<td>11,561,245.54</td>
<td>322,304,292.42</td>
</tr>
</tbody>
</table>

(1) GOVERNMENT SETTLEMENT DATE 7 7 1988  
MARKET PRICES ON 6 17 1988  
(2) DISCOUNT RATE FOR TBILLS
<table>
<thead>
<tr>
<th>PERIOD</th>
<th>COUPON</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>CASH FLOW</th>
<th>REQUIREMENT</th>
<th>DIFFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 15 1988</td>
<td>9.500</td>
<td>309,775,000</td>
<td>14,714,312.50</td>
<td>324,489,312.50</td>
<td>324,488,893.19</td>
<td>419.31</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td>309,775,000</td>
<td>14,714,312.50</td>
<td>324,489,312.50</td>
<td>324,488,893.19</td>
<td>419.31</td>
</tr>
</tbody>
</table>

(1) SEE GOVERNMENT SECURITIES TABLE
17 June 1988

Honorable Edward V. Regan
Comptroller
STATE OF NEW YORK
Department of Audit and Control
Alfred E. Smith Office Building
Albany, New York 12224

Re: Series 66 Bonds

Dear Mr. Regan:

This letter is to request your approval of the sale by the Municipal Assistance Corporation For The City of New York of $700,600,000 of its Series 66 Bonds to be issued pursuant to its Second General Bond Resolution. The Corporation's Preliminary Official Statement, dated June 15, 1988, relating to such sale has been provided for your information. The Official Statement for the Series 66 Bonds, to be dated June 20, 1988, will be provided to you as soon as it becomes available. The Series 66 Bonds will be sold to a syndicate of underwriters at a net discount from the initial public offering prices equal to 0.8227% of the principal amount of the Series 66 Bonds and will be reoffered by the underwriters at the prices set forth in Exhibit A.

The net proceeds of sale of the Series 66 Bonds will be $693,069,951.20, all of which will be used to provide funds for the refunding and defeasance of the Corporation's Series 11, 12, 13, 20, 21 and 22 Bonds maturing or otherwise coming due after July 1, 1988, which were issued pursuant to the Second General Bond Resolution, and bear interest at the rates and mature as set forth in Part 3 of the Corporation's Preliminary Official Statement for the Series 66 Bonds. The net proceeds of the Series 66 Bonds, together with other available moneys, if required, will be used to purchase United States Treasury Obligations, the principal of and interest on which will be sufficient to pay the principal or redemption price of, and interest on, the Series 11, 12, 13, 20, 21 and 22 Bonds maturing or otherwise coming due after July 1, 1988, when due. This refunding will provide present value savings to the Corporation and reduce debt service requirements in certain early years.

The Series 66 Bonds are comprised of serial bonds aggregating $653,150,000 and maturing July 1 of each of
17 June 1988
Honorable Edward V. Regan
Page 2

the years from 1989 through 1999, and term bonds aggregating $47,450,000 and maturing July 1, 2008. The Series 66 Bonds maturing on or prior to July 1, 1999 are not subject to redemption prior to maturity. The Series 66 Bonds maturing on July 1, 2008 are subject to optional redemption by the Corporation on or after July 1, 1999. The Series 66 Bonds maturing July 1, 2008 are also subject to redemption from mandatory sinking fund installments. The rates of interest on the Series 66 Bonds and the optional redemption and sinking fund provisions are set forth in Exhibit A.

We request your approval of the sale of the Series 66 Bonds and of the terms thereof pursuant to Section 3012(1)(e) of the Municipal Assistance Corporation Act, as amended. We further request your approval, pursuant to Section 3013(4) of the Municipal Assistance Corporation Act, as amended, of the system of accounts of the Corporation to the extent the same are prescribed in the Second General Bond Resolution of the Corporation, adopted November 25, 1975, and the Series 66 Resolution of the Corporation, to be adopted June 20, 1988.

Your approval is respectfully requested.

Sincerely,

Stephen J. Weinstein
Executive Director

The sale of the above described Series 66 Bonds of the Municipal Assistance Corporation For The City of New York upon the terms above described and system of accounts of the Corporation, to the extent the same are prescribed in the Second General Bond Resolution and the Series 66 Resolution of the Corporation, are hereby approved.

Comptroller of the State of New York

Dated: ____________________________
Optional Redemption

The Series 66 Bonds maturing on July 1, 2008 are subject to redemption at the option of the Corporation on or after July 1, 1999, as a whole on any date or in part by lot on any interest payment date or dates, at the following redemption prices (expressed as percentages of the principal amount), plus accrued interest to the date of redemption.

<table>
<thead>
<tr>
<th>Redemption Period</th>
<th>Redemption Price (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 1999 to December 31, 2000</td>
<td>102</td>
</tr>
<tr>
<td>January 1, 2001 to June 30, 2002</td>
<td>101-1/2</td>
</tr>
<tr>
<td>July 1, 2002 to December 31, 2003</td>
<td>101</td>
</tr>
<tr>
<td>January 1, 2004 to June 30, 2005</td>
<td>100-1/2</td>
</tr>
<tr>
<td>July 1, 2005 and thereafter</td>
<td>100</td>
</tr>
</tbody>
</table>

Series 66 Serial Bonds

An aggregate of $653,150,000 of the Series 66 Bonds will mature serially, will bear interest and will be sold as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Rate</th>
<th>Yield or Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>$48,745,000</td>
<td>5.20%</td>
<td>100%</td>
</tr>
<tr>
<td>1990</td>
<td>49,660,000</td>
<td>5.70%</td>
<td>100%</td>
</tr>
<tr>
<td>1991</td>
<td>49,580,000</td>
<td>6.00%</td>
<td>100%</td>
</tr>
<tr>
<td>1992</td>
<td>49,545,000</td>
<td>6.20%</td>
<td>100%</td>
</tr>
<tr>
<td>1993</td>
<td>100,595,000</td>
<td>6.40%</td>
<td>6.45%</td>
</tr>
<tr>
<td>1994</td>
<td>113,575,000</td>
<td>6.60%</td>
<td>6.65%</td>
</tr>
<tr>
<td>1995</td>
<td>126,910,000</td>
<td>6.80%</td>
<td>6.85%</td>
</tr>
<tr>
<td>1996</td>
<td>73,655,000</td>
<td>6.90%</td>
<td>6.95%</td>
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<tr>
<td>1997</td>
<td>14,895,000</td>
<td>7.00%</td>
<td>7.05%</td>
</tr>
<tr>
<td>1998</td>
<td>15,605,000</td>
<td>7.10%</td>
<td>7.15%</td>
</tr>
<tr>
<td>1999</td>
<td>10,385,000</td>
<td>7.25%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Series 66 Term Bonds

An aggregate of $47,450,000 of the Series 66 Bonds will mature July 1, 2008, will bear interest at 7.75% and will be sold at 98.75% of par.
The Series 66 Term Bonds due July 1, 2008 are also subject to redemption, in part by lot, on July 1, in each of the years and in the respective principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption from mandatory "Sinking Fund Installments" which are required to be made in amounts sufficient to redeem on July 1 of each year the principal amount of such Series 66 Bonds specified for each of the years shown below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>$3,760,000</td>
<td>2005</td>
<td>$5,585,000</td>
</tr>
<tr>
<td>2001</td>
<td>$4,065,000</td>
<td>2006</td>
<td>$6,055,000</td>
</tr>
<tr>
<td>2002</td>
<td>$4,405,000</td>
<td>2007</td>
<td>$6,550,000</td>
</tr>
<tr>
<td>2003</td>
<td>$4,770,000</td>
<td>2008</td>
<td>$7,095,000*</td>
</tr>
<tr>
<td>2004</td>
<td>$5,165,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Payment at maturity.

ba:121
FOR RELEASE: THURSDAY, JUNE 16, 1988

CONTACT: STEPHEN J. WEINSTEIN, EXECUTIVE DIRECTOR

THERE WILL BE A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK ON MONDAY, JUNE 20, 1988, AT 9:00 A.M. AT THE OFFICES OF LAZARD FRERES & CO., ONE ROCKEFELLER PLAZA, 32ND FLOOR CONFERENCE ROOM.
16 June 1988

Mr. James W. O'Keefe
7 Eberle Road
Latham, New York 12110

Dear Mr. O'Keefe:

Thank you very much for your recent letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no present positions open on our staff for which you might be qualified.

We would like to keep you resume on file in case a position should become available in the future for which we feel your experience and skills might be suited.

Best wishes in your job search and again many thanks for your interest.

Sincerely,

Quentin B. Spector
Treasurer

aa:204
CAREER OBJECTIVE:

To secure a rewarding position in the Field of Finance where my educational preparation and desire to be successful will be valuable assets to a progressive organization.

SUMMARY:

Strong educational preparation in the field of Economics and Marketing backed by five years of practical experience is an management/supervisory capacity. Skilled in sales, marketing, promotions, and financial operations.

EDUCATION:

STATE UNIVERSITY OF NEW YORK AT ALBANY, Albany, New York
Bachelor of Science Degree, 1987
Major: Business Administration Minor: Economics
Concentration: Marketing and Finance

HUDSON VALLEY COMMUNITY COLLEGE, Troy, New York
Graduated 1985, Associate of Applied Science
Major: Marketing
* Named to President's Honor List

CERTIFICATION:

Successfully completed requirements for Series 7 Brokers License

EXPERIENCE:

5/1982 - Present
STEWART'S BREAD AND BUTTER SHOP, Latham, New York
Shift Supervisor
Responsible for overall store operations during shift; supervise employees and responsible for all cash transactions. Actively recruit employees and provide training in operations and customer service. Implemented sales promotion for new product lines, and enhance merchandise of existing product lines. Provide customer service.
* Cited for excellent performance in all categories.

Summer 1986
GENERAL DEVELOPMENT CORPORATION, Latham, New York
Telemarketing Representative
Solicited, through cold-call telemarketing, prospecting real-estate clients for land development in Florida. Marketed attendance for promotional dinner, and helped organize event.

Summers 1982 - 1986
THE COLONIE COLISEUM THEATER, Latham, New York
Bar Manager
Managed daily operations, and provided service to theater partners. Stocked bar, and managed inventory.

ACTIVITIES:

Group Leader: Corporate Sports Challenge
Participated in the organization for the very successful Freihofer's run for Women.

REFERENCES:

References will be furnished upon your request.
S. Weinstein  
Municipal Assistance Corporation  
1 World Trade Center  
New York, NY 10048

Dear Mr. Weinstein:

The enclosed resume, intentionally brief, is presented to your organization in anticipation of a career opportunity in the Financial Community with a firm that could benefit from marketing, economics and customer service experience. I am planning to relocate to the New York area, and have identified you as a potential employer.

My experience, fully outlined, has been focused on marketing and customer service with major local employers. In addition to my practical experience, I have also completed the requirements for my Series 7 Brokers License, fully qualifying me to conduct financial transactions in this industry. In addition, I am completing the requirements for my New York State Insurance License.

Educationally, I bring a strong educational background in Business Administration from SUNY of Albany, where I concentrated in Finance and Marketing. While pursuing my degree, I worked extensively, helping to defray educational expenses and at the same time, increase my hands-on experience.

With demonstrated marketing, finance and customer service background, supported by an extensive educational preparation, I am well prepared to assume the responsibility for a challenging, rewarding position in the Financial Services areas. In comparison to other likely candidates, I bring experience, education and the prerequisite for active trading in the industry.

May we have the opportunity to meet and discuss my goals in more detail? I can be reached at the telephone number above, and look forward to hearing from you shortly.

Sincerely,

James W. O'Keefe

Enclosure: Resume
FOR RELEASE: WEDNESDAY, JUNE 15, 1988, 2:00 P.M.

CONTACT: STEPHEN J. WEINSTEIN, EXECUTIVE DIRECTOR

THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK TODAY ANNOUNCED THAT THE PROCEEDS OF THE SALE OF ITS SERIES 66 BONDS WILL BE USED TO REFUND ALL OF ITS OUTSTANDING SERIES 11, 12, 13, 20, 21, and 22 BONDS.

THE SERIES 11, 12 AND 13 BONDS SCHEDULED TO MATURE OR BE REDEEMED AFTER JULY 1, 1988 WILL BE REDEEMED ON OR ABOUT AUGUST 15, 1988, AND THE SERIES 20, 21 AND 22 BONDS SCHEDULED TO MATURE OR BE REDEEMED AFTER JULY 1, 1988 WILL BE REDEEMED ON JULY 1, 1989, ALL AT A REDEMPTION PRICE OF 102% OF THE PRINCIPAL AMOUNT. SINKING FUND INSTALLMENTS SCHEDULED FOR EACH OF THE SERIES WILL BE PAID AS SCHEDULED AT 100% OF THE PRINCIPAL AMOUNT.

THE SERIES 66 BONDS IN THE PRINCIPAL AMOUNT OF APPROXIMATELY $700 MILLION ARE EXPECTED TO BE SOLD THIS WEEK. THE BONDS WILL BE OFFERED BY AN UNDERWRITING GROUP LED BY GOLDMAN, SACHS & CO.
FOR IMMEDIATE RELEASE: TUESDAY, 14 JUNE 1988, 4:00 P.M.

CONTACT: STEPHEN J. WEINSTEIN, EXECUTIVE DIRECTOR

THE MUNICIPAL ASSISTANCE CORPORATION ANNOUNCED TODAY THAT IT INTENDS TO SELL APPROXIMATELY $700 MILLION OF ITS SERIES 66 BONDS DURING THIS WEEK.

THE CORPORATION ALSO ANNOUNCED THAT THE UPCOMING SALE WILL BE NEGOTIATED WITH AN UNDERWRITING GROUP LED BY GOLDMAN, SACHS & CO.


THE CO-MANAGERS, THE PARTICULAR BONDS TO BE REFUNDED AND THE STRUCTURE OF THE REFUNDING ISSUE WILL BE ANNOUNCED WITHIN THE NEXT FEW DAYS.

:202
13 June 1988

Chemical Bank
100 World Trade Center Concourse
New York, New York 10048

Re: Account No. 024-012637

Ladies and Gentlemen:

Since 1979, the Municipal Assistance Corporation has maintained the above numbered payroll account with Chemical Bank at its World Trade Center branch. From time to time, we wish to utilize that account to cash our petty cash checks (in amounts not to exceed $150) drawn upon our checking account at United States Trust Company of New York (Account No. 29-00297). In that connection, you have requested an authorizing resolution.

This is to confirm that the resolution of the Corporation dated June 27, 1979, a copy of which is attached, establishing our account with you, is currently in full force and effect and is sufficiently broad to cover the account activity in question. Therefore, no additional resolution of the Corporation's Board of Directors is necessary to authorize the check cashing privilege which we now request.

I also confirm that Quentin B. Spector (Deputy Executive Director and Treasurer), Maxine H. Gillman (Counsel and Secretary), Frances N. Higgins (Deputy Treasurer) and myself are authorized to sign checks on behalf of the Corporation. Copies of the Certification of Officers and Official Signature Card, both dated November 1, 1985, the originals of which you should already have on file, are also attached.

Thank you for your cooperation.

Sincerely,

Stephen J. Weinstein
Executive Director

Enclosures (3)

aa:202
RESOLUTIONS

I, the undersigned, hereby certify to Chemical Bank World Trade Center, Concourse, N.Y., that at a meeting of the Board of Directors of THE MUNICIPAL ASSISTANCE CORPORATION, for the CITY OF NEW YORK, a Corporation organized and existing under the laws of THE STATE OF NEW YORK, duly called and duly held on the 27th day of June, 1979, the following resolutions were duly adopted, and that the said resolutions have been entered upon the regular minute book of the said Corporation, are in accordance with the By-Laws and are now in full force and effect.

RESOLVED: 1. That the Officers of this Corporation, or any one or more of them, are hereby authorized to open a bank account or accounts from time to time with Chemical Bank World Trade Center, Concourse, for and in the name of this Corporation with such title or titles as he or they may designate.

2. That the Executive Director, Deputy Executive Director, and Treasurer of this Corporation,

(Indicate by Title persons authorized to sign, viz.: President, Vice-President, Treasurer, etc.)

signing any two

(Indicate how checks etc. are to be signed, viz.: singly, jointly, any two, etc.)

and their successors in office, and any other person hereafter authorized to sign on behalf of this Corporation, are hereby authorized to sign checks, drafts, notes, acceptances, and other instruments, and orders for the payment or withdrawal of moneys, credits, items and property at any time held by the Bank for account of this Corporation, and the Bank may be hereby authorized to honor any or all of them and other instruments and orders authorized to be paid by the Bank, including such as may bring about an overdraft and such as may be payable to or for the benefit of any signer thereof or other officer or employee individually without inquiry as to the circumstances of the issue or the disposition of the proceeds thereof and without limit as to amount.

3. That the Bank is hereby authorized to accept for deposit the account of this Corporation for credit, or for collection, or otherwise, any or all checks, drafts, notes and other instruments of every kind indorsed by any person or by hand stamp impression in the name of this Corporation or without indorsement.

4. That the

(Indicate by Title persons authorized to effect Loans, Advances, etc., viz.: President, Vice-President, Treasurer, etc.)

signing

(Indicate how Notes etc. are to be signed, viz.: singly, jointly, etc.)

and their successors in office are hereby authorized to effect loans and advances at any time for this Corporation from the Bank, and for such loans and advances to make, execute and deliver promissory notes and other written obligations or evidences of indebtedness of this Corporation, applications for letters of credit and any agreements or undertakings, general or specific, giving items on, and rights and powers with respect to, any property of this Corporation, and other agreements and undertakings, and as security for the payment of loans, advances, indebtedness and liabilities of this Corporation to pledge, hypothecate, mortgage, assign, transfer, indorse and deliver property of any description, real or personal, and any interest in and evidence of any thereof at any time held by this Corporation, and to execute instruments of transfer, powers of attorney and other instruments which may be necessary or desirable in connection therewith and also to sell to, or discontinue with the Bank commercial paper, bills receivable, accounts receivable and other instruments and evidences of debt at any time held by this Corporation, and to that end to indorse, assign, transfer and deliver the same, and also to give any orders or consents for the delivery, sale, exchange or other disposition of any property or interest therein or evidences thereof belonging to this Corporation and at any time in the hands of the Bank whether as collateral or otherwise.

5. That all loans, discounts and advances herebefore obtained on behalf of this Corporation and all notes and other obligations or evidences thereof of this Corporation held by the Bank are hereby approved, satisfied, and confirmed.

6. That the officers of this Corporation or any one or more of them are hereby authorized to act for this Corporation in all other matters and transactions relating to any of its business with the Bank.

7. That each of the foregoing resolutions and the authority thereby conferred shall remain in full force and effect until written notice of revocation or modification shall be received by the Bank; that the Secretary or any Assistant Secretary or any other officer of this Corporation is hereby authorized and directed to certify, under the seal of this Corporation or not, but with like effect in the latter case, to the Bank the foregoing resolutions, the names of the officers and other representatives of this Corporation, any changes from time to time in the said officers and representatives and specimens of their respective signatures; and that the Bank may conclusively assume that persons at any time certified to it to be officers or other representatives of this Corporation continue as such until receipt by the Bank of written notice to the contrary.

In Witness Whereof, I have hereunto set my hand as Secretary and affixed the seal of the said Corporation this 20th day of July, 1979.

*ATTEST:

William J. McCaffrey

Official Designation

*Note: In case the Secretary is authorized to sign by the above resolutions, this certificate should be attested by a second officer or director of the Corporation.
CERTIFICATION OF OFFICERS

November 1, 1985

I, the undersigned, DO HEREBY CERTIFY to Chemical Bank, 100 World Trade Center Concourse, that the Present Officers of MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK, duly elected to hold office until their respective successors are chosen, and empowered to act for and on behalf of this Corporation in any of its business with the said Bank within the authority prescribed in the resolutions heretofore certified to the said Bank, are:

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen J. Weinstein</td>
<td>Executive Director</td>
</tr>
<tr>
<td>Quentin B. Spector</td>
<td>Deputy Executive Director and Treasurer</td>
</tr>
<tr>
<td>Maxine H. Gillman</td>
<td>Counsel and Secretary</td>
</tr>
<tr>
<td>Frances N. Higgins</td>
<td>Deputy Treasurer</td>
</tr>
</tbody>
</table>

In Witness Whereof, I have hereunto set my hand as Secretary and affixed the Corporate Seal this 1st day of November 1985.

[Signature]
Secretary
AUTHORIZED TO THE CHEMICAL BANK

By the delivery of this card signed by the undersigned officers and the receipt thereof by the CHEMICAL BANK, it is mutually agreed between the above named Corporation and the Bank that the provisions of the Uniform Commercial Code of the State of New York, local clearing house rules and general banking usage prevailing in New York City shall be deemed to apply with respect to the obligations of the Bank in connection with all items, whether or not negotiable, received by the Bank for the account of the said Corporation, and all items so received shall, in the absence of express agreement to the contrary, be deemed to have been received for collection only.

Executive Director

Deputy Executive Director and Treasurer

Counsel and Secretary

Deputy Treasurer

Assistant Secretary or Assistant Cashier

The undersigned Secretary of the said Corporation hereby certifies that the foregoing signatures are the duly authorized signatures of the signing Officers of the said Corporation which the said Bank is to recognize in the payment of funds and the transaction of other business for its account.

DATED 11/11/85

03-0840* (9-85)

Maxine H. Mills

Secretary
13 June 1988

Steve Levine, Steve Cohen, Brian Perlee
Steve Markbreiter

City Section of MAC Official Statement

Enclosed for your consideration and review is the latest draft of the proposed City section for the Corporation's upcoming Official Statement. This draft is in the same form as the language which will appear in the proof of the Official Statement to be distributed tomorrow. We would appreciate receiving your comments on this draft by noon on Wednesday, June 15.

Thank you.
Fiscal Years 1988-1992

On June 17, 1987, the City adopted a budget for its 1988 fiscal year (the "1988 City Budget") which projected revenues and expenditures of $22,945 billion, and which was balanced in accordance with GAAP, as required by State law, for the eighth consecutive year. The City's four-year financial plan for the fiscal years 1988 through 1991, as modified through February 1, 1988 (the "February Modification"), projected a GAAP-balanced budget for fiscal 1988 and projected a budget gap of $758 million for the 1989 fiscal year. Among the developments addressed in the February Modification were a delay in the timing of revenues expected from the sale of the New York Coliseum and a substantial decrease in revenues from certain economically sensitive taxes after fiscal 1988. The February Modification projected a fiscal 1988 surplus of approximately $150 million.

As required by the City Charter, the Mayor submitted the Executive Capital and Expense Budget for the City's 1989 fiscal year (the "1989 Executive Budget") to the City Council and Board of Estimate on May 9, 1988. As required by State law, the 1989 Executive Budget was prepared and
balanced in accordance with GAAP, with revenues and expenditures projected at $25.212 billion. The 1989 Executive Budget is scheduled for consideration and adoption by the City Council and Board of Estimate by June 30, 1988. The 1989 Executive Budget also forecast a $210 million surplus for fiscal 1988, which amount is scheduled to be transferred into fiscal 1989, for use in balancing that year's budget.

Subsequent to the submission of the 1989 Executive Budget, tax collection information for April and May of 1988 became available, with only one month's revenue remaining to be reported for the City's current fiscal year. There appears to have been a decline in collections of certain of the City's economically sensitive taxes below the amounts expected in the 1989 Executive Budget. The City currently projects a tax revenue shortfall for fiscal 1988 of approximately $50 million. In order to achieve a balanced budget for fiscal 1988, it may be necessary for the City to reduce the amount of fiscal 1988 surplus it currently intends to carry forward into fiscal 1989.

The 1989 Executive Budget proposes an additional $2.1 billion of spending and income in fiscal 1989 over the forecast results for fiscal 1988. In order to finance the
additional expenditures, aggregating approximately 9.3% for fiscal 1989 over fiscal 1988, in addition to projected revenue growth, the City proposes: (1) a $150 million increase in the property tax, (2) $124 million in productivity savings and (3) $386 million in service reductions.

Most prior City labor contracts expired in June 1987. During the past several months, the City has reached settlements with several unions representing most of its non-uniformed employees and has reached a tentative agreement with the police officers' union. The 1989 Executive Budget and the 1989-1992 Financial Plan currently reflect the costs associated with three-year settlements reached with Local 237 and Local 832 International Brotherhood of Teamsters, the United Federation of Teachers and District Council 37, in combination representing approximately 60% of the workforce. Those settlements provide for annual increases in wages and benefits of approximately 5.3%, 5.85% and 5.9% in fiscal years 1988, 1989 and 1990, respectively. The 1989-1992 Financial Plan also provides for annual increases in wages and benefits of 6% for police officers. Should comparable settlements be reached with the other uniformed workers' unions, the total additional labor costs to the City would be $375 million,
$881 million and $959 million in fiscal years 1988, 1989 and 1990, respectively, aggregating approximately $2.2 billion in excess of the assumed labor costs incorporated in the original four-year financial plan submitted in July 1987. These estimates of additional labor costs have been included in the 1989-1992 Financial Plan and the 1989 Executive Budget.

The City economy bears particular scrutiny at this time due to recent significant adverse developments in the securities industry. The securities industry has played an increasingly significant role in the City's economy in recent years and has been a substantial source of the growth in City tax revenues. During the past five years, much of the City's economic expansion has been attributable to marked growth in the financial services sector. The financial services industry has accounted for approximately 25% of employment expansion in the City in the past two years, more than offsetting continuing employment declines in its manufacturing sector.

During the 1988 fiscal year, several developments have occurred in the financial services sector which may signal a cessation of this growth pattern. By mid-1987, firms engaged in this industry had begun to reorganize and, in
some cases, reduce the size of their workforce. The sharp
debt declines in the financial markets have led to additional
contractions in workforce and business plans. The
elimination of approximately 18,000 jobs has been announced
to date by financial firms alone, with additional cuts
expected in sectors which service them. The City projects
that local employment will decline by 20,000 jobs in 1988,
including a decline of 10,000 jobs in the financial services
sector. Although the City is unable to predict the precise
impact on the City's economy and finances of the
circumstances in the financial services industry, the
slowdown in growth in that sector may result in decreased
growth in City revenues from business income and other taxes
that financial firms pay.

On May 5, 1988, OSDC issued a report analyzing the City's
economy. The report forecast an increase of 18,000 jobs in
calendar year 1988 and a gain of 14,000 jobs in calendar
year 1989. OSDC stated that there was no evidence that the
economic slowdown in the financial industry had had any
negative effect on employment in other sectors of the
economy. OSDC noted, however, that while such employment
projections are higher than those contained in its previous
reports, its forecast still represents less robust growth
than had been projected in the 1988 City budget.
In response to the unfolding developments in the local economy, the Mayor, in October 1987, announced a freeze on hiring for 5,200 jobs and suspended a 5% salary increase for managerial employees for 90 days, subject to extension if warranted by continued monitoring of revenue collections. The Mayor expects the hiring freeze to reduce City expenditures by $83.5 million as of June 30, 1988 and, if extended, by $269 million by the end of fiscal 1989. The 1989-1992 Financial Plan and the 1989 Executive Budget incorporate certain of these actions.

The City's previous four-year financial plan, as modified through November 2, 1987, included approximately $266 million in revenues in fiscal 1988 and $189 million over the following two years from the proposed sale and development of the New York Coliseum site. A December 7, 1987 State court decision voided the sale contract with the proposed developer of the site. Subsequently, the City announced a new agreement with the developer of the Coliseum site that would reduce the sale price of such property from $455 million to $357 million. This new proposal is subject to the consideration and approval by the Board of Estimate. The February Modification removed all revenues from the proposed Coliseum sale from fiscal 1988 and included $217 million for fiscal 1989 and $140 million over the following
two years. The 1989 Executive Budget now anticipates that the Coliseum site will be sold in the first half of fiscal 1990 and will generate $217 million in fiscal 1990 and $140 million over fiscal years 1991 and 1992.

On May 27, 1988, the Control Board issued a report on the City's revised revenue and expenditure estimates for fiscal 1988. The Control Board stated that such estimates reasonably reflect local economic trends, although actual revenues may be slightly lower than the City's current projections.

On June 9, 1988, OSDC issued a report on recent City budget developments. Noting the decline in collections of economically sensitive taxes during April and May of 1988, OSDC projected a tax revenue shortfall of $98 million for fiscal 1988, which amount is partly offset by $30 million in expenditure savings. OSDC stated that, to cover this potential $68 million net shortfall, the City may have to reduce the amount of fiscal 1988 surplus funds it intends to carry forward to balance the budget for fiscal 1989.

ba:122
Date: 10 June 1988

To: Board of Directors

From: Stephen J. Weinstein

Re: Underwriters

Enclosed is a copy of today's invitation to minority members of our previous syndicate to be considered for a management position in our future financings.

Together with the Finance Committee, we expect to conclude deliberations on a new management group next week and prepare recommendations for a sale during the week of June 20th.

Enclosure

aa:107
By Messenger

10 June 1988

Mr. Travers J. Bell, Sr., Chairman
DANIELS & BELL, INC.
99 Wall Street
New York, New York 10005

Mr. Harold E. Doley, Jr., Chairman
DOLEY GOVAN SECURITIES, INC.
220 White Plains Road
Tarrytown, New York 10591

Mr. Wardell R. Lazard, Chairman
W.R. LAZARD & CO., INC.
40 Rector Street/10th Floor
New York, New York 10006

Mr. Donald R. Davidson, Sr., Chairman
METRO EQUITIES CORPORATION
220 S. State Street/Suite 2014
Chicago, Illinois 60604

Mr. Malcolm D. Pryor, Chairman
PRYOR, GOVON, COUNTS & CO. INC.
74 Trinity Place/Suite 1207
New York, New York 10006

Re: Underwriting Participation

Gentlemen:

The Municipal Assistance Corporation is currently considering the composition of an underwriting management group to conduct negotiated sales of its securities. As part of that effort, we are inviting the five minority firms who have participated in our previous financings as members of the selling group to furnish us with information in order to be considered by us for promotion to a management position. This action is in furtherance of our policies and efforts to engage the services of minority business enterprises.

In that regard, we would appreciate your submission of the following materials:
10 June 1988
Underwriting Participation
Page 2

1. A description of your firm as contained in standard promotional material.

2. A copy of your most recent available financial statements, along with notations of any subsequent material events affecting your financial condition.

3. A statement of your capitalization and financial capacity to underwrite the Corporation's bonds or otherwise commit capital to maintain the market in the Corporation's bonds.

4. A verification that your firm is a minority business enterprise, with at least 51% of your ownership currently held by Blacks, Hispanics, Asians, American Indians or Women.

5. A summary of your sales performance over the past year in the primary and secondary markets for: (a) tax-exempt securities; (b) New York tax-exempt securities; and (c) the Corporation's securities.

6. A list of those issuances of tax-exempt securities in which you have participated during the past year as either syndicate member or manager, indicating which capacity for each financing.

7. A brief description of the capabilities that you would bring to the Corporation's financings, and a statement of your interest in joining our management group.

Please submit these materials to me at the above address by the close of business on Wednesday, June 15, 1988. If you have any questions, please call either me or Quentin B. Spector, the Corporation's Treasurer.

We look forward to reviewing your proposals and to selecting a member of our new management group from the minority firms responding to this invitation.

Sincerely,

Stephen J. Weinstein
Executive Director

ba:107
1 June 1988

Dr. Sherman Shapiro
350 Greenleaf Avenue
Wilmette, Ill. 60091

Dear Dr. Shapiro:

In response to your letter of May 27, 1988, I am enclosing copies of the newspaper notices listing bonds of the Municipal Assistance Corporation which will be redeemed pursuant to mandatory sinking fund requirements on July 1, 1988.

You have not indicated whether the bonds you hold are in coupon form or registered form. Please note that the bonds in coupon form are listed by bond number in the Wall Street Journal advertisements, and the bonds held in registered form are listed by bond number in the Investors Daily advertisements.

All holders of our registered bonds are sent direct notice of redemptions prior to maturity by mail to their address of record. In addition, registered bondholders are sent their semi-annual interest checks automatically on the payment dates without having to present coupons for collection. Registered bonds also provide security to the investor in the case of loss or destruction. For these reasons, we suggest that you consider converting any bonds you may hold in coupon form to registered form, a service which we make available at no charge. If you are interested in doing so, please contact Mr. William Weber at United States Trust Company of New York, by letter at 45 Wall Street, New York, New York 10005, or by phone at 212-806-4984, to make the arrangements.

I hope that this information is helpful.

Sincerely,

[Signature]

Stephen J. Weinstein
Executive Director

Enclosure

aa:202
May 27, 1988

Mr. Stephen J. Weinstein
Executive Director
Municipal Assistance
Corporation for the
City of New York
Suite 8901
One World Trade Center
New York, NY 10048

Dear Mr. Weinstein:

Yesterday's midwestern edition of The New York Times included a notice by MAC that certain bonds would be called on July 1, 1988. Since I do not have access to either the eastern edition of the Wall Street Journal, I shall appreciate your sending me a list of those securities which will be called.

Thank you for your help.

Sincerely yours

[Signature]

DR. SHERMAN SHAPIRO
350 Greenleaf Avenue
Wilmette, IL 60091