February 25, 1992

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

c/o Saul Finkelstein, Esq.

Ladies and Gentlemen:

As of August 15, 1991 you, as our counsel, confirmed by letter to our independent accountants, Price Waterhouse, certain information discussed in our letter of July 26, 1991 concerning litigation, claims or assessments and governmental investigations to which you have devoted substantive attention on behalf of the Corporation in the form of legal consultation or representation.

Please confirm to Price Waterhouse that the statements made in your letter as of August 15, 1991 continue to be correct as of the effective date of your reply to this letter or furnish to them such explanation, if any, as you consider necessary to supplement the information previously furnished to them, including information regarding any pending or threatened litigation, claims or assessments and investigations not commented on previously by you.

We have also advise Price Waterhouse that since August 15, 1991 there are no unasserted claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5.

To facilitate the evaluation of your response by our independent accountants please respond as of February 29, 1992. Please also specify the effective date of your response if it is other than the date of your reply.

Sincerely,

Lynnette Kelly
Counsel
February 25, 1992

ORRICK, HERRINGTON & SUTCLIFFE
599 Lexington Avenue
New York, NY 10022

c/o John J. Keohane, Esq.

Ladies and Gentlemen:

As of August 12, 1991 you, as our counsel, confirmed by letter to our independent accountants, Price Waterhouse, certain information discussed in our letter of July 26, 1991 concerning litigation, claims or assessments and governmental investigations to which you have devoted substantive attention on behalf of the Corporation in the form of legal consultation or representation.

Please confirm to Price Waterhouse that the statements made in your letter as of August 12, 1991 continue to be correct as of the effective date of your reply to this letter or furnish to them such explanation, if any, as you consider necessary to supplement the information previously furnished to them, including information regarding any pending or threatened litigation, claims or assessments and investigations not commented on previously by you.

We have also advise Price Waterhouse that since August 12, 1991 there are no unasserted claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5.

To facilitate the evaluation of your response by our independent accountants please respond as of February 29, 1992. Please also specify the effective date of your response if it is other than the date of your reply.

Sincerely,

[Signature]

Lynnette Kelly
Counsel
Date: 24 February 1992
To: Administration Committee
From: Quentin B. Spector and Frances H. Jacobs
Re: Second Quarter Budget Report

Attached is a summary of the budget status for the quarter ended December 31, 1992. Overall, the spending levels for the second quarter was $1.6 million or 11.9% of budget. Actual expenses and accruals for the year to date total $3.3 million or 24.8% of budget.

The Debt Issuance category at zero reflects the lack of any financing during the first half of the year.

The Debt Administration category, at $481,474, is overstated due to a reversal of an accrual in the fiscal 1991 budget related to public notices. Due to this correction, the public notice line, at $263,538, is overstated by $214,748 which was, in fact, budgeted and spent in fiscal 1991. During the first half of the year, only $48,790 was spent on public notices. When this is reflected in expenses and accruals for the year to date, $266,726 or 20.1% was spent or accrued is fiscal 1992. This is consistent with the pattern of spending in previous years.

Legal Services at 18.4% of budget for the first half of the year are low due to a lack of financing activity or major projects requiring legal advice. The fiscal 1992 budget for legal services includes fees involved in drafting legislation related to the First resolution Refunding. Now that the City has dropped the proposal for stretching out debt, this legislation will not be necessary. If so, legal service will probably finish the year under budget.

The Accounting expenses for the quarter include billing for the annual audit as well as for the first quarter’s work. At 46.9% of budget, expenses are in line with expectations for the first half of the year, as is the Investment Management category at 47.5% of budget.

General Administration expense is understated due to the error in the accrual for the final 1991 budget: the Report Production category should reflect an additional expense of $214,718 for fiscal 1992. Giving effect to this adjustment, the expenses and accruals to date to total $678,687 or 45% of budget.

The Financial Control Board has been reimbursed for 47.2% of its budget. The State fees at 16.8% appear low because a portion of the amount budgeted in fiscal 1992 anticipated fees for issuances by the Corporation which, to date, have not occurred.
# Municipal Assistance Corporation
## For the City of New York
### Budget Report
#### Three Months Ended December 31, 1991

<table>
<thead>
<tr>
<th></th>
<th>Fiscal Year 1992 Budget</th>
<th>Actual Expenses and Accruals for Quarter Ended 12/31/91</th>
<th>Actual Expenses and Accruals Year to Date</th>
<th>Percent of Budget (3)/(4)</th>
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<tr>
<td><strong>Debt Issuance</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Printing</td>
<td>$368,000</td>
<td>$0</td>
<td>$0</td>
<td>0.0%</td>
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<td>Ratings</td>
<td>201,000</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
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<tr>
<td>Authentication &amp; Misc</td>
<td>$13,500</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>582,500</td>
<td>0</td>
<td>0</td>
<td>0.0</td>
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<tr>
<td><strong>Debt Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustee Services</td>
<td>400,000</td>
<td>110,306</td>
<td>199,556</td>
<td>49.9</td>
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<tr>
<td>Paying Agents</td>
<td>375,000</td>
<td>10,677</td>
<td>18,380</td>
<td>4.9</td>
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<tr>
<td>Public Notices</td>
<td>550,000</td>
<td>48,790</td>
<td>263,538</td>
<td>47.9</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>1,325,000</td>
<td>169,773</td>
<td>481,474</td>
<td>36.3</td>
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<tr>
<td><strong>Legal Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Bond Counsel</td>
<td>240,000</td>
<td>15,653</td>
<td>37,926</td>
<td>15.8</td>
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<tr>
<td>General Counsel</td>
<td>150,000</td>
<td>5,832</td>
<td>29,554</td>
<td>19.7</td>
</tr>
<tr>
<td>Trustee Counsel</td>
<td>50,000</td>
<td>6,902</td>
<td>13,536</td>
<td>27.1</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>440,000</td>
<td>28,387</td>
<td>81,016</td>
<td>18.4</td>
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<td><strong>Investment Management</strong></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td></td>
<td>28,500</td>
<td>7,550</td>
<td>13,550</td>
<td>47.5</td>
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<td><strong>Accounting</strong></td>
<td>182,500</td>
<td>85,640</td>
<td>85,640</td>
<td>46.9</td>
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<tr>
<td><strong>General Administration</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Payroll Services</td>
<td>803,200</td>
<td>169,493</td>
<td>321,030</td>
<td>40.0</td>
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<td>Data Processing</td>
<td>35,000</td>
<td>3,438</td>
<td>10,374</td>
<td>29.6</td>
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<tr>
<td>Report Production</td>
<td>228,000</td>
<td>66,625</td>
<td>-84,707</td>
<td>-37.2</td>
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<tr>
<td>Office Services</td>
<td>420,000</td>
<td>109,501</td>
<td>213,076</td>
<td>50.7</td>
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<tr>
<td>Office Materials</td>
<td>18,400</td>
<td>1,814</td>
<td>4,166</td>
<td>22.6</td>
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<tr>
<td><strong>Subtotal</strong></td>
<td>1,504,600</td>
<td>350,921</td>
<td>463,939</td>
<td>30.8</td>
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<tr>
<td><strong>Corporation Operations</strong></td>
<td>4,063,100</td>
<td>642,271</td>
<td>1,125,619</td>
<td>27.7</td>
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<tr>
<td><strong>Oversight Agency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Financial Control Board</td>
<td>2,093,000</td>
<td>498,991</td>
<td>988,426</td>
<td>47.2</td>
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<tr>
<td><strong>Total Operations</strong></td>
<td>$6,156,100</td>
<td>$1,141,262</td>
<td>$2,114,045</td>
<td></td>
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<tr>
<td><strong>State Fees</strong></td>
<td>7,247,300</td>
<td>467,916</td>
<td>1,216,178</td>
<td>16.8</td>
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<tr>
<td><strong>Total Operations</strong></td>
<td>$13,403,400</td>
<td>$1,609,178</td>
<td>$3,330,223</td>
<td>24.8</td>
</tr>
</tbody>
</table>
24 February 1992

Mr. Daniel Heimowitz
Executive Vice President & Director
Finance Department
Moody's Investors Service
99 Church Street, 9th Floor
New York, New York 10007

Dear Dan:

This is to thank you again for your help in making the Series B issuance the success that it was. As the attached memorandum to the Board states, the key to the structural savings was securing Moody's highest short-term rating.

It was too bad we were unable to convince S&P to distinguish between short and long-term risk, but I am told we paid no penalty for this failure, particularly since Fitch's also assigned its highest short-term rating.

Very truly yours,

Quentin B. Spector
Executive Director

QBS:ca
Enclosure
24 February 1992

Mr. John S. Tamagni
One Rockefeller Plaza
New York, NY 10020

Dear Jack:

Thank you again for your help in making the Series B the great success that it was. I think we broke new ground with the rating agencies on this one, and though S&P didn’t come through on this transaction, I think it is only a matter of time before they come around. Your help in evaluating the initial idea, in the rating agency presentation and the negotiations during the pricing was, as always, invaluable.

Thank you again.

Very truly yours,

Quentin B. Spector
Executive Director

QBS:ca
cc: Felix G. Rohatyn
21 February 1992

Honorable Elizabeth Holtzman
Comptroller
City Comptroller’s Office
Municipal Building, Room 529
One Centre Street
New York, New York 10007

Dear Comptroller Holtzman:

This is to thank you for the help provided by your office in preparing for the sale of our Series B Bonds. Darcy Bradbury and Roger Anderson were instrumental in expediting the tracing of proceeds originally financed by the First Resolution bonds, a procedure necessary to secure a favorable tax opinion. To assist us in meeting a daunting issuance timetable, Roger worked long hours, including a City holiday, while preserving the confidentiality of highly sensitive market information.

It’s not every day a refunding can generate $100 million of savings and still produce 14% present value savings. The attached memorandum summarizes the details. Consequently we have special reason to be grateful for the contribution of your office to this success.

Very truly yours,

Quentin B. Spector
Executive Director

QBS:ca
Enclosures
cc: Felix G. Rohatyn
SPECIAL MEETING

BOARD OF DIRECTORS
Thursday, February 20, 1992, 11:00 A.M.
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Sixth Avenue, New York City
Conference Room 2910-11 (Enter on 28th Floor)

AGENDA

1. Adoption of Minutes of Meeting of September 27, 1991*

2. Adoption of Resolution regarding outside counsel fee schedule*

3. Adoption of Series B Resolution authorizing sale of Series B Bonds*

4. Other business

*Enclosures
Date: 20 February 1992
To: Board of Directors
From: Quentin B. Spector
Re: First Resolution Refunding

With the City's withdrawal of its request to refund the First Resolution by stretching out maturities, the Corporation now has an excellent opportunity to undertake the economic refunding it had previously planned. The attached sheet summarizes key features of the transaction.

Refunding savings (net of cash contributions) of approximately $100 million will increase the Corporation's surplus from the current $200 million to $300 million. Just as important, overall debt service is lowered by $100 million in each of FY93 and FY94 and by $335 million in FY95. This increases debt service coverage significantly. Finally, by eliminating the First Resolution the foundation is laid for a rating upgrade on the previously subordinate bond resolutions.

After consultation with the City, the refunding was structured to make the $200 million surplus available in FY93 and FY94 ($100 million each year).

The Series B will generate the most savings, whether expressed in cash or present value terms, of the Corporation's refundings. At $1.49 per bond, the underwriting spread is also the lowest of any issuances. The large savings is attributable to very low market rates at the early part of the yield curve and to the structure utilized to maximize these yield curve advantages.

The key to the structural savings was securing the highest short term ratings (as opposed to bond ratings) from Moody's Investors Service and Fitch's Investors Service. These ratings make the bonds attractive to the highly liquid, highly aggressive short-term money markets where rates, particularly for maturities under a year, trade at lower yields than equivalent maturities with only long-term bond ratings.

Savings were also enhanced by using the flexibility of the 1991 Resolution, which, because of the short-term ratings, could be used without the yield penalty of issuing under the 1991 Resolution rather than the Second Resolution. This flexibility permitted a significant reduction in issuance size as a result of a smaller reserve requirement, and it permitted semi-annual maturities and maturity dates attractive to the short-term money market funds.

As The First Boston Corporation recommended these structuring ideas, it was appointed book running manager for this refunding. Goldman, Sachs & Co. was co-senior manager, and the balance of the management group remained unchanged.

The success of this transaction is the result of the efforts of extraordinary teamwork among the staff, Bond Counsel, General Counsel, the Underwriters and their Counsel as well as staff of the City's OMB and Comptroller's Office, many of whom sacrificed plans for Valentine's Day and the holiday weekend.
FIRST RESOLUTION REFUNDING SUMMARY

($Millions)

Status Quo

Outstanding First Resolution Bonds $804.7
First Resolution Capital Reserve 338.0
Call Premium 1/2 %

Refunding Sources & Uses

Sources	Uses
Series B proceeds $380.9 First Resolution call escrow $815.5
First Resolution Cap. Reserve 336.1 Increase in 1991 Resolution Reserve Requirement 102.1
Surplus Contribution 200.1 Costs of Issuance 0.6
Debt Service Fund Release 1.1 
$918.2 $918.2

Savings
Nominal Savings (net of cash contributions) or increase in surplus $100
Surplus Available as a result of refunding $300
Present Value Savings $54
Present Value as % of Series B issuance 13.9%

Structure
Par Amount Series B bonds $380.7
Issued under 1991 Resolution (5 semi-annual maturities 7/15/92-7/15/94)
First Resolution coupon 7/2%
Series B avg. yield 3.86% (2.60% 7/92 to 4.30% 7/94)
Weighted Average Life First Resolution bonds 2.1 yrs.
Weighted Average Life Series B bonds 1.4 yrs.

Coverage (Assumes Sales Tax receipts $2.201 billion)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Debt Service Before Refunding</th>
<th>Debt Service After Refunding</th>
<th>Sales Tax Coverage Before</th>
<th>Sales Tax Coverage After</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>$885.9</td>
<td>$775.9</td>
<td>2.48x</td>
<td>2.80x</td>
</tr>
<tr>
<td>1994</td>
<td>853.1</td>
<td>753.1</td>
<td>2.58</td>
<td>2.92</td>
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<tr>
<td>1995</td>
<td>866.2</td>
<td>531.2</td>
<td>2.54</td>
<td>4.14</td>
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<tr>
<td>1996</td>
<td>524.3</td>
<td>524.3</td>
<td>4.20</td>
<td>4.20</td>
</tr>
</tbody>
</table>

Ratings
Moody's MIG-1 (highest short-term rating)
Fitch's F-1+ (highest short-term rating)
S & P A (current bond rating)
Municipal Assistance Corporation
1st Resolution Refunding using Series B

$ Billions

Current Sales Tax Receipts

Sales Tax less 10%

Debt Service Prior to Refunding

Fiscal Year


Debt Service:
- 2nd Resolution
- 1991 Resolution

2/20/92
RESOLUTION OF THE FINANCE COMMITTEE OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
ACTING PURSUANT TO SECTION 6.1 OF THE BY-LAWS,
AS AMENDED THROUGH JUNE 3, 1982

RESOLVED, upon recommendation of the Administration Committee, and after due consideration by the Finance Committee, that the attached fee schedule for outside counsel services be and hereby is adopted and will be in effect from July 1, 1991 until June 30, 1993.

Eugene J. Keilin, Chairman
Finance Committee

Felix G. Rohatyn, Member
Finance Committee

Dated: October 30, 1991
# Legal Fee Schedule

<table>
<thead>
<tr>
<th>Category</th>
<th>New Fees</th>
<th>Former Fees</th>
<th>Change</th>
<th>Previous Adjustment Amount</th>
<th>Date</th>
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<tbody>
<tr>
<td>1st &amp; 2nd Year Associates</td>
<td>$100</td>
<td>$100</td>
<td>None</td>
<td>$+10</td>
<td>7/89</td>
</tr>
<tr>
<td>3rd &amp; 4th Year Associates</td>
<td>140</td>
<td>140</td>
<td>None</td>
<td>+20</td>
<td>7/89</td>
</tr>
<tr>
<td>5th Year &amp; Over Associates</td>
<td>175</td>
<td>175</td>
<td>None</td>
<td>+25</td>
<td>7/89</td>
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<tr>
<td>Partners Less Than 5 Years</td>
<td>225</td>
<td>200</td>
<td>+25</td>
<td>+25</td>
<td>7/89</td>
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<tr>
<td>Partners 5 Years or More</td>
<td>275</td>
<td>250</td>
<td>+25</td>
<td>+50</td>
<td>7/89</td>
</tr>
</tbody>
</table>
Date: 19 February 1992

To: Board of Directors

From: Frances H. Jacobs

Re: Quarterly Investment Report

Enclosed is a copy of the Investment Report to the Board for the Quarter ending December 31, 1991.

FHJ:ca
Enclosures
Date: 19 February 1992
To: Board of Directors
From: Quentin B. Spector
Re: Investment Report
Quarter Ending December 31, 1991

The Corporation's Investment Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's investments. In particular, the Guidelines mandate that the report include an inventory of existing investments as of the end of the quarter, a summary of investments made during the quarter, and a listing of "investment bankers, brokers, agents, dealers, custodians, investment advisors and auditors used by the Corporation in making or holding investments during such quarter."

All investments during the quarter ended December 31, 1991 were Permitted Obligations authorized by the Investment Guidelines. For the purpose of this report, we have grouped the Corporation's various accounts into three major funds:

(1) **Debt Service Funds** consisting of the Debt Service Fund for payment of principal and interest on First Resolution bonds; the Bond Service Fund for the payment of principal and interest on Second Resolution bonds; the Bond Payment Fund for payment of principal and interest on 1991 Resolution Bonds; the Unpledged Revenue Account; and the Bond Proceeds Account;

(2) **Capital Reserve Funds** consisting of the First Capital Reserve Fund, the Second Capital Reserve Fund and the 1991 Bond Reserve Fund;

(3) **Operating Fund.**

Attachment A of this memorandum lists the Corporation's investments according to these three major funds as of December 31, 1991. (A description of each of the funds is provided in Attachment E.) Attachment B displays the income recorded by each of the major funds for the quarter. The Corporation earned $29.8 million during the quarter.

At December 31, 1991, the amortized cost of the Corporation's holdings of marketable securities was approximately $1.510 billion. (This is exclusive of approximately $1.394 billion of bonds of the City of New York.) Attachment C describes the investment activity within the various accounts during the quarter. Investments are depicted by monthly transactions which are categorized by maturity and security type. All funds of the
Corporation are continually invested in direct obligations of the United States of America, with the exception of up to $3 million invested in daily repurchase agreements under which the Corporation purchases and receives securities subject to master agreements with participating money center banks. Attachment D provides a listing of the dealers and providers of investment related services which the Corporation used to carry out its investment program.
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
INVESTMENT IN MARKETABLE SECURITIES
(In Thousands)

<table>
<thead>
<tr>
<th>December 31, 1991</th>
<th>Principal</th>
<th>Market</th>
<th>Cost</th>
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<tr>
<td></td>
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<tr>
<td><strong>Marketable Securities:</strong></td>
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<tr>
<td>Debt Service Fund</td>
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<tr>
<td>Obligations Maturing in Less than One Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$507,620</td>
<td>$512,687</td>
<td>$515,288</td>
</tr>
<tr>
<td>Total</td>
<td>$507,620</td>
<td>$512,687</td>
<td>$515,288</td>
</tr>
<tr>
<td>First Capital Reserve Fund</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Obligations Maturing in Less than One Year</td>
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<tr>
<td>U.S. Treasury</td>
<td>$176,855</td>
<td>$178,116</td>
<td>$177,340</td>
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<tr>
<td>One to Five Years</td>
<td>$147,782</td>
<td>$150,628</td>
<td>$145,896</td>
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<tr>
<td>U.S. Treasury</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total</td>
<td>$324,637</td>
<td>$328,744</td>
<td>$323,236</td>
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<tr>
<td>Second Capital Reserve Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Maturing in Less than One Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$219,386</td>
<td>$221,547</td>
<td>$218,685</td>
</tr>
<tr>
<td>One to Five Years</td>
<td>$364,333</td>
<td>$372,081</td>
<td>$353,355</td>
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<tr>
<td>Over Five Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$188,778</td>
<td>$91,098</td>
<td>$90,869</td>
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<tr>
<td>Total</td>
<td>$772,497</td>
<td>$684,726</td>
<td>$662,909</td>
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<table>
<thead>
<tr>
<th>Operating Fund</th>
<th>Securities Purchased Under Agreement to Resell</th>
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<tr>
<td></td>
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<td>$1,825</td>
<td>$1,825</td>
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<tr>
<td></td>
<td>Total</td>
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<td>$1,825</td>
<td>$1,825</td>
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</table>

<table>
<thead>
<tr>
<th>Other Securities:</th>
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<th></th>
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</thead>
<tbody>
<tr>
<td>1991 Bond Reserve Fund</td>
<td>Obligations Maturing in One to Five Years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and Local Government Series*</td>
<td></td>
<td>$7,391</td>
<td>$7,391</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$7,391</td>
<td>$7,391</td>
</tr>
<tr>
<td></td>
<td>$1,613,970</td>
<td>$1,535,373</td>
<td>$1,510,649</td>
</tr>
</tbody>
</table>

*These securities cannot be sold on the open market and can only be redeemed prior to maturity at a price imposed by the U.S. Treasury.
### Municipal Assistance Corporation
**For the City of New York**
**Fiscal Year 1992**
**Second Quarter Investment Report**
*Record of Income*
*($ Thousands)*

| Debt Service Funds | $ 10,680,080 |
| Reserve Funds      | 19,064,397   |
| Operating Fund     | 26,823       |
| **Total**          | **$ 29,771,300** |

**Second Quarter Income**
During the quarter ending December 31, 1991, the Corporation made investments in government securities through the following dealers:

Bank of America
Chemical Bank
Dean Witter Reynolds Inc.
First Boston Corporation
Harris Trust & Savings Bank
Kidder, Peabody & Company, Inc.
Morgan Guaranty Trust Company of New York

During the quarter ending December 31, 1991, the Corporation entered into repurchase agreements with the following bank:

Morgan Guaranty Trust Company of New York

The Bank of New York was appointed April 1, 1986 as the Corporation's financial advisor. On June 30, 1991 its contract was renewed for a two year period ending July 1, 1993. U.S. Trust Co. provided transaction processing services pursuant to the current agreement with the Corporation.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Capital Reserve Funds

First Capital Reserve Fund

The First Capital Reserve Fund was established pursuant to the First General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on First Resolution bonds. The required funding level is the succeeding calendar year’s debt service on First Resolution bonds. The fund is to be used to pay debt service on First Resolution bonds any time the available State sales tax and stock transfer tax are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Debt Service Fund and used to pay debt service on First Resolution bonds.

Second Capital Reserve Fund

The Second Capital Reserve Fund was established pursuant to the Second General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on Second Resolution bonds. The required funding level is the succeeding calendar year’s debt service on Second Resolution bonds. The fund is to be used to pay debt service on Second Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Bond Service Fund and used to pay debt service on Second Resolution bonds.

1991 Bond Reserve Fund

The 1991 Bond Reserve Fund was established pursuant to the 1991 General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on 1991 Resolution bonds. The required funding level is one half the maximum annual debt service. The fund is to be
used to pay debt service on 1991 Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the fund have been derived from proceeds from the issuance of bonds. Amounts in excess of the required funding level are transferred periodically to the Bond Payment Fund and used to pay interest on 1991 Bond Resolution bonds.

Debt Service Funds

Debt Service Fund

The Debt Service Fund was created under the First General Bond Resolution for the purpose of paying debt service on First Resolution bonds. Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax and stock transfer tax pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Debt Service Fund to payment accounts on the business day prior to a payment date.

Bond Service Fund

The Bond Service Fund was created under the Second General Resolution for the purpose of paying debt service on Second Resolution bonds. Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax, stock transfer tax and per capita aid pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in the other funds or accounts; and (iii)
Municipal Assistance Corporation
For the City of New York
Fiscal Year 1992
Second Quarter Investment Report
Description of Accounts

Interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Bond Service Fund to payment accounts on the business day prior to a payment date.

Bond Payment Fund

The Bond Payment Fund was created under the 1991 General Bond Resolution for the purpose of paying debt service on 1991 Resolution bonds.

Monies for the payment of debt service are available from the following sources: (i) payments made by the State Comptroller to the Corporation of State sales tax, stock transfer tax and per capita aid pursuant to periodic certifications of the Corporation; (ii) transfers of excess amounts on deposit in the other funds or accounts; and (iii) interest earnings on monies held in this fund. Monies for the payment of debt service are transferred from the Bond Payment Fund to payment accounts on the business day prior to a payment date.

Unpledged Revenues Account

The Unpledged Revenues Account consists of monies which are not pledged to secure any obligation of the Corporation. These monies are available for general corporate purposes.

Monies in this Account are derived from (i) principal and interest payments on New York City bonds held by the Corporation in exchange for proceeds of the Corporation’s bonds issued for City capital purposes; and (ii) interest earnings retained on amounts on deposit in this Account.

Periodic transfers are made to the Debt Service and Bond Service Funds for the payment of debt service on First and Second Resolution bonds. Such transfers reduce the amount of State revenues needed to make such payments.

In addition, monies in this Account are used to make open market purchases of the Corporation’s bonds in satisfaction of mandatory sinking fund requirements.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Bond Proceeds Account

Proceeds of the sale of bonds by the Corporation are held in the Bond Proceeds Account until applied to the purposes for which they were raised and invested pending expenditures. Earnings on such investments are used to pay debt service under the respective resolutions.

Operating Fund

The Operating Fund was created under the First General Bond Resolution to pay the operating expenses of the Corporation which, for the purposes of the Operating Fund, include the expenses of the Office of the State Special Deputy Comptroller and those of the State Financial Control Board. Monies for this fund are obtained from payments made by the State Comptroller to the Corporation in accordance with the Corporation's periodic certification of needs.
FOR IMMEDIATE RELEASE: TUESDAY, FEBRUARY 18, 1992 11:00 A.M.

CONTACT: QUENTIN B. SPECTOR, EXECUTIVE DIRECTOR

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK WILL BE HELD ON THURSDAY, FEBRUARY 20, 1992, AT 11:00 A.M. AT THE OFFICES OF PAUL, WEISS, RIFKIND, WHARTON & GARRISON, 1285 SIXTH AVENUE, CONFERENCE ROOM 2910-11 (ENTER ON 28TH FLOOR).
FOR IMMEDIATE RELEASE: FRIDAY, FEBRUARY 14, 1992
CONTACT: QUENTIN B. SPECTOR, EXECUTIVE DIRECTOR

THE MUNICIPAL ASSISTANCE CORPORATION ANNOUNCED TODAY THAT IT INTENDS TO SELL APPROXIMATELY $400 MILLION OF ITS SERIES B BONDS ISSUED UNDER ITS 1991 GENERAL BOND RESOLUTION DURING THE WEEK OF FEBRUARY 17th. THE SALE WILL BE SUBJECT TO MARKET AND OTHER CONDITIONS.

THE PROCEEDS OF THE PROPOSED ISSUANCE, TOGETHER WITH AVAILABLE FUNDS, WOULD BE USED TO REFUND ITS OUTSTANDING SERIES EE AND HH BONDS WHICH CONSTITUTE ALL THE REMAINING OUTSTANDING BONDS ISSUED UNDER THE CORPORATION’S FIRST GENERAL BOND RESOLUTION. IN CONJUNCTION WITH THIS PROPOSED ISSUANCE THE CORPORATION INTENDS TO COVENANT THAT IT WILL NO LONGER ISSUE BONDS, NOTES OR OTHER OBLIGATIONS UNDER THE FIRST GENERAL BOND RESOLUTION.

ALL OUTSTANDING SERIES EE AND HH BONDS ARE EXPECTED TO BE REDEEMED ON OR ABOUT MARCH 26 AT A REDEMPTION PRICE OF 100 1/2% OF THE PRINCIPAL AMOUNT TOGETHER WITH ACCRUED INTEREST.


THE BONDS ARE EXPECTED TO BE OFFERED BY AN UNDERWRITING GROUP HEADED BY THE FIRST BOSTON CORPORATION AND GOLDMAN, SACHS & CO.
Date: 13 February 1992
To: Quentin B. Spector
From: Augie Allegretti
Re: Temporary Service Pay

During my temporary service I worked the following hours:
2/6, and 2/7/92, 15 hours @ $14.35 per hour, total $215.25.

OK 2/13/92
QBS
13 February 1992

Ms. Cynthia Taggart
67-76 Booth Street
Forest Hills, New York 11375

Dear Ms. Taggart:

Your coverage under The New York Health Insurance Program will stop on February 29, 1992 due to the termination of your employment.

You will be given the opportunity to convert to a direct-pay conversion contract with the insurance carrier of your former coverage, for a period of eighteen months. Direct pay conversion contracts are not available to enrollees who fail to remit required costs for coverage continuation.

Within fifteen days after your coverage ends you should expect to receive written notice of any available conversion rights from both Blue Cross and Metropolitan Life Insurance Company. If you receive notice more than 15 days after the day your coverage ends, you will have 45 days from the time you receive the notice to apply for direct pay conversion coverage. If you do not receive notice of your conversion rights contact, Empire Blue Cross and Blue Shield, P.O. Box 11800, Albany New York 12211-0800 and Metropolitan Life Insurance Company, C.P.O. Box 1600, Kingston N.Y. 12401-0600, (1-800-942-4640). Under no circumstances will you be allowed to convert after a period of 90 days from the date your coverage ends even if you did not receive a notice of conversion rights.

This letter will also confirm your decision to decline continuation of coverage under the Corporation’s dental insurance and disability insurance programs which terminated on January 31, 1992. In addition New York State Retirement System Tier 4 members may apply for withdrawal of contribution. Please complete the enclosed withdrawal application, have it notarized and return it to me for further processing. If you have any questions concerning health insurance please refer to your health insurance plan booklet, or feel free to contact me.

Sincerely,

Beatrice Gilling Raynor
Accountant

BGR:ca

wp/lbr/taggart
**Withdrawal Application**

**RS 5014**

(Rev. 9/60) 28

Please read both columns carefully before proceeding.

- You do not become eligible for return of your contributions (if any) until 15 DAYS after separation from service.
- If you have not made any contributions, there will be no payment due you. Membership may be terminated, but not before 30 DAYS after separation from service.
- If your membership cannot be terminated if you have sufficient credited service for vested rights.
- If you have joined another Retirement System operated by the State of New York or a political subdivision, you can transfer your membership to that System. If you wish to do so, do not complete this form but send for RRS 5223, Request to Transfer Membership. If this Retirement System transfers your membership directly to the new Retirement System, you will not have to pay Federal Income Tax this year on the accrued interest credited to your account, if any.

**IMPORTANT FEDERAL INCOME TAX INFORMATION**

The Tax Reform Act of 1969 requires that the taxable portion of a withdrawal of contributions made prior to age 59½ will be subject not only to the normal income tax on such distribution, but also an additional 10 percent income tax. This additional tax applies to the taxable portion (interest and contributions not previously reported for Federal income tax purposes) of the withdrawal distribution unless the taxable portion of the distribution is rolled over into an individual Retirement Account or another qualified plan not later than sixty days after you receive the payment.

**NOTICE OF WITHHOLDING ON LUMP-SUM BENEFIT PAYMENTS**

Federal Law now requires the Retirement System to withhold appropriate federal income tax from any payment you receive unless you elect not to have this automatic withholding apply.

**PLEASE NOTE:**

You may elect not to have us apply withholding to your payment by signing and dating the election below.

**ELECTION FOR PAYEE**

If you do not want the Retirement System to withhold any Federal Income Tax from your payment, sign and date this election.

I do not want to have Federal Income Tax withheld from my payment.

Signed: ____________________________

Date: ____________________________

Instructions: Complete (print or type) all required areas. Sign declaration in ink. Form must be notarized.

To the Comptroller of the State of New York

I request that my membership in the Employees' Retirement System be terminated and I apply for the return of contributions and interest credited on my account, if any. In consideration of the termination of my membership I waive for myself, my heirs and assigns all right, title, and interest in the funds of any and all benefits flowing from membership in the New York State Employees' Retirement System. I have terminated my employment and I am not now employed in any position in government service in which membership in this Retirement System is available.

Signature: ____________________________

2. Social Security Number: ____________________________

3. Employer: ____________________________

4. Date of Separation: ____________________________ (Month/Day/Year)

5. Registration Number: ____________________________

6. Date of Birth: ____________________________ (Month/Day/Year)

7. Street: ____________________________

8. City: ____________________________

9. State: ____________________________ Zip Code: ____________________________

This acknowledgement must be completed by a Notary Public.

State of: ____________________________ County of: ____________________________

On this ____________________________ day of ____________________________ 19________, before me personally appeared ____________________________, known to me to be the same person described in and who executed the foregoing instrument, and ____________________________, he duly acknowledged to me that ____________________________, he executed the same.

Notary Public, State of: ____________________________ (Please Sign and Affix Stamp)

**PERSONAL PRIVACY PROTECTION LAW**

In accordance with the Personal Privacy Law you are hereby advised that pursuant to the Retirement and Social Security Law, the Retirement System is required to maintain records. The records are necessary to determine eligibility for and to calculate benefits. Failure to provide this information may result in the failure to pay benefits. The System may provide certain information to participating employers. The Official responsible for maintaining these records is Peter Buckley, Director of Member Services, New York State Employees' Retirement System, Albany, NY 12244; Telephone Number (518) 474-4608.

**SOCIAL SECURITY DISCLOSURE REQUIREMENT**

In accordance with the Federal Privacy Act of 1974, you are hereby advised that disclosure of the Social Security Account Number is mandatory pursuant to Sections 11a, 34, 311 and 334 of the Retirement and Social Security Law. The number will be used in identifying retirement records and in the administration of the Retirement System.

**PLEASE SEE REVERSE SIDE FOR CERTIFICATIONS**
TO BE COMPLETED BY EMPLOYERS OTHER THAN STATE AGENCIES

I certify that the member was separated from employment on _______________ and is not on any authorized leave of absence. The member’s name last appeared, or will appear on the payroll report for the month of _______________. This report was, or will be, sent to the Retirement System on or about _______________.

Gross earnings for the final month were $ _______________.

and the retirement contributions, if any, were as follows:

Normal (or COESC) $ _______________.
Arrears $ _______________.
Loan $ _______________.

No deductions should be made for retirement and no wages should be reported under the present registration number after the monthly report shown above.

Signature _______________.
Title _______________.
Phone _______________.
Date _______________.

TO BE COMPLETED BY STATE AGENCIES ONLY

I certify that the member was separated from employment on _______________ and is not on any authorized leave of absence. The member’s name last appeared, or will appear on the payroll for the period ending _______________. Paid or to be paid on _______________.

Gross earnings for the final pay period were $ _______________.

and the retirement contributions, if any, were as follows:

Normal (or CO-ESC) $ _______________.
Arrears $ _______________.
Loan $ _______________.

If this employee returns to service, the present registration number may no longer be used.

Signature _______________.
Title _______________.
Date _______________.

FOR OFFICE USE ONLY

Gross Amount _______________.
Taxable Amount _______________.
Non Taxable Amount _______________.
Amount Withheld _______________.
Type of Distribution W

Date of Payment _______________.
Lump Sum Indicator _______________.
Year of Membership _______________.
Month, Year of Separation _______________.
12 February 1992

Honorable David N. Dinkins, Mayor
ATT: Philip R. Michael, Director
OFFICE OF MANAGEMENT AND BUDGET
75 Park Place/6th Floor
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: William McCormick, Supervisor of State Revenues
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of
the State of New York, enclosed herewith is Certificate
Number 92 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
February 12, 1992.

Certificate Number 92 relates to the cash needs of the
Corporation for the 1992 and 1993 fiscal years with respect
to the Series EE and Series HH Bonds issued pursuant to its
First General Bond Resolution and to its Operating Fund
requirements.

Sincerely,

Frances H. Jacobs
Treasurer

Enclosures
cc: Attached
12 February 1992
Honorable David N. Dinkins, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc:  Alexandra Altman, Esq.
     Mr. Alan L. Anders
     Ms. Darcy Bradbury
     Mr. Michael Gibbons
     Robert R. Grew, Esq.
     Lynnette Kelly, Esq.
     Mr. Richard Kelly
     Donald J. Robinson, Esq.
     Mr. Rudy Runko
     Mr. Pat Santivasci
     Mr. Quentin B. Spector
     Allen L. Thomas, Esq.
     Mr. Michael J. Zino
MUNICIPAL ASSISTANCE CORPORATION  
SCHEDULE A  

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date Required on or Before</th>
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<tbody>
<tr>
<td>$63,839,000</td>
<td>04/12/92</td>
</tr>
<tr>
<td>63,839,000</td>
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<td><strong>TOTAL (Fiscal Year 1992)</strong></td>
<td><strong>$127,678,000</strong></td>
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</tr>
<tr>
<td>63,839,000</td>
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<td>83,933,000</td>
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<td>83,933,000</td>
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<tr>
<td><strong>TOTAL (Fiscal Year 1993)</strong></td>
<td><strong>$295,544,000</strong></td>
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</table>

Operating Fund Under Section 3036 of the Public Authorities Law  
**TOTAL (Fiscal Year 1993)** $13,400,000 01/12/93  

12 February 1992  
Certificate Number 92
CERTIFICATE NUMBER 92 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 12th day of February 1992.

Felix G. Rohatyn
Chairman
12 February 1992

Honorable David N. Dinkins, Mayor
ATT: Philip R. Michael, Director
OFFICE OF MANAGEMENT AND BUDGET
75 Park Place/6th Floor
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: William McCormick, Supervisor of State Revenues
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 96 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 February 12, 1992.

Certificate Number 96 relates to the cash needs of the Corporation for the 1992 and 1993 fiscal years with respect to the Series 8 through Series 68 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,

Frances H. Jacobs
Treasurer

LK:ca
Enc.
cc: Attached
CERTIFICATE NUMBER 96 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 12th day of February 1992.

Felix G. Rohatyn
Chairman
# MUNICIPAL ASSISTANCE CORPORATION

## SCHEDULE A

<table>
<thead>
<tr>
<th>Amount</th>
<th>Date Required on or Before</th>
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</thead>
<tbody>
<tr>
<td>Bond Service Fund Under Section 3036-a of the Public Authorities Law, Established Pursuant to the Second General Bond Resolution Adopted November 25, 1975*</td>
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<td>$157,519,000</td>
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<td>$152,886,000</td>
<td>06/25/92**</td>
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<tr>
<td>$128,184,000</td>
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<td>$128,184,000</td>
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<td>$125,620,000</td>
<td>06/25/93**</td>
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<tr>
<td><strong>TOTAL (Fiscal Year 1993)</strong></td>
<td><strong>$510,173,000</strong></td>
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* Any payment or payments on April 12, June 25, or October 12, 1992 or January 12, April 12, or June 25, 1993 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 on or about such dates under certificates of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1992 and 1993 fiscal years on or before June 25, 1992 and June 25, 1993, respectively, are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1992 or June 30, 1993 payments, as the case may be, to the Corporation subject and subordinate to the payments referred to in the prior footnote.

12 February 1992

Certificate Number 96
12 February 1992
Honorable David N. Dinkins, Mayor
Honorable Edward V. Regan, Comptroller

Page Two

cc:  Alexandra Altman, Esq.
     Mr. Alan L. Anders
     Ms. Darcy Bradbury
     Mr. Michael Gibbons
     Robert R. Grew, Esq.
     Lynnette Kelly, Esq.
     Mr. Richard Kelly
     Donald J. Robinson, Esq.
     Mr. Rudy Runko
     Mr. Pat Santivasci
     Mr. Quentin B. Spector
     Allen L. Thomas, Esq.
     Mr. Michael J. Zino
12 February 1992

Honorable David N. Dinkins, Mayor
ATT: Philip R. Michael, Director
OFFICE OF MANAGEMENT AND BUDGET
75 Park Place/6th Floor
New York, New York 10007

Honorable Edward V. Regan, Comptroller
ATT: William McCormick, Supervisor of State Revenues
Revenues Section/Bureau of Accounting
NEW YORK STATE DEPARTMENT OF AUDIT AND CONTROL
A. E. Smith Office Building
Albany, New York 12236

Gentlemen:

Pursuant to Section 3036-b of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 8 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 February 12, 1992.

Certificate Number 8 relates to the cash needs of the Corporation for the 1992 and 1993 fiscal years with respect to the Series A Bonds issued pursuant to its 1991 General Bond Resolution.

Sincerely,

Frances H. Jacobs
Treasurer

LK:ca
Enc.
cc: Attached
12 February 1992
Honorable David N. Dinkins, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Mr. Alan L. Anders
Ms. Darcy Bradbury
Mr. Michael Gibbons
Robert R. Grew, Esq.
Lynnette Kelly, Esq.
Mr. Richard Kelly
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivasci
Mr. Quentin B. Spector
Allen L. Thomas, Esq.
Mr. Michael J. Zino
MUNICIPAL ASSISTANCE CORPORATION
SCHEDULE A

<table>
<thead>
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<th>Amount</th>
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<td>2,432,000</td>
<td>06/25/92**</td>
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<td>TOTAL (Fiscal Year 1992)</td>
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<td>2,449,000</td>
<td>04/12/93</td>
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<tr>
<td>2,431,000</td>
<td>06/25/93**</td>
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<tr>
<td>TOTAL (Fiscal Year 1993)</td>
<td>$9,778,000</td>
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* Any payment or payments on April 12, June 25, or October 12, 1992 or January 12, April 12, or June 25, 1993 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 on or about such dates under certificates of the Chairman of the Corporation delivered pursuant to Sections 3036 and 3036-a of the Act.

Any payment or payments on June 25, 1992 or June 25, 1993 from revenues derived from the per capita aid payable to New York City pursuant to Section 54 of the State Finance Law are subject and subordinate to and after payments required on or about such dates under certificates of the Chairman of the Corporation delivered pursuant to Section 3036-a of the Act.

** To the extent payments made to the Corporation for the 1992 and 1993 fiscal years on or before June 25, 1992 and June 25, 1993, respectively, are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1992 or June 30, 1993 payments, as the case may be, to the Corporation subject and subordinate to the payments referred to in the prior footnote.

12 February 1992

Certificate Number 8
CERTIFICATE NUMBER 8 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-b 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-b in respect of bonds issued pursuant to the 1991 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 12th day of February 1992.

[Signature]
Felix G. Rohatyn
Chairman
11 February 1992

Ms. Maggie Roman
300 Cathedral Pkwy.
New York, N.Y. 10025

Dear Ms. Roman:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

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

Sincerely,

Quentin B. Spector
Executive Director

QBS:ca
10 February 1992

To: Finance Committee

From: Quentin Spector

Re: First Resolution Refunding

For some time the Corporation has been seeking ways to accomplish an economic refunding of the First Resolution bonds. However, tax barriers, poor markets, and, for the past year, the stretch-out alternative requested by the City have limited consideration of this idea. With the tax problems solvable with an equity contribution, the withdrawal of the City's refunding request and a favorable market, we have an excellent opportunity to do the refunding we had always preferred.

Depending on several transaction variables, refunding the First Resolution without extending maturities could generate present value savings ranging from $40-50 million. Cash savings could be as high as $81 million. Aside from the stability of rates in the 1-3 year segment of the yield curve, the principal variables are: Notes vs bonds; Second Resolution vs 1991 Resolution (or even a new resolution) and maturity structure.

Notes vs Bonds

Until recently, we have been puzzled by the disappointingly low savings potential of an economic refunding of the First Resolution bonds, even with the prospect of market yields over 250 basis points below the 7.5% coupon on the outstanding First Resolution bonds. For example, a Goldman analysis January 7, following the Fed's dramatic discount rate cut, indicated the best savings potential to date. Even then, however, at an average coupon of 4.42%, the cash and present value savings were only $36-37 million on a $995 million issuance.

When we pursued a suggestion from First Boston to structure the transaction for the note rather than the bond market, the present value savings potential increased by about $14 million. First Boston asserted that enormous demand for high quality, highly liquid short-term instruments provide yield and cost of issuance advantages over bonds with similar maturities. They further suggested that the flexibility of the 1991 Resolution permitted additional means for exploiting the short-term markets. These claims have been largely borne out by our own research and separate investigations by Jack Tamagni.

To meet the requirements of the short-term market, the refunding securities would not necessarily have to be called
"notes" (although that would be desirable), but they would have to be rated MIG-1 and/or SP-1 (i.e. highest short-term ratings) and they would have to be available for Federal funds settlement (rather than the standard 5 business days for bond settlements).

We are still examining the feasibility of the First Boston suggestions and several issues remain. Bond Counsel has determined the Corporation may issue notes for refunding purposes only under the First Resolution or under a new resolution subordinate to the 1991 Resolution.

Refunding under the First Resolution would generate savings similar to those projected for a refunding under the Second Resolution shown in the attached table, but without the advantage of eliminating the First Resolution. A new resolution opens up the attractive possibility of no capital reserve requirement and consequently even greater savings than the alternatives shown in the table. However, I do not think the savings would be enough to justify the extra time needed to draft and explain to the market a new resolution as the refunding costs about $500,000 each week of delay. And that estimate assumes the current market holds.

There is no legal barrier, however, to imposing a Fed funds settlement requirement on our securities.

The most difficult obstacle seems to be the rating agencies which are resisting the application of their short-term ratings to a traditional bond-like transaction, even if the maturity and security provisions fall within their traditional criteria for short-term securities. Quite likely they are also troubled by the prospect of the lower fees charged for short-term ratings and the complications and precedent such treatment poses for the early maturities of any high quality bond issuance. I feel their concern about precedent is misplaced as they are confusing purpose with creditworthiness. That the proposed transaction is traditionally accomplished by bonds is not relevant. Whether or not the one-, two- and three-year instruments are as creditworthy as their highest rated BANs with the same maturities and without credit or liquidity features is the relevant issue. And both rating agencies have established this precedent long ago. Moreover, I believe MAC’s proposed structure compares favorably with such issues that have been rated MIG-1 or SP-1. We have scheduled a meeting with Moody’s this week and are attempting to schedule one with Standard & Poor’s also.

Obviously the First Boston short-term market idea should be implemented if possible. Further, if First Boston’s idea
can be implemented, the firm’s contribution should be acknowledged with a senior position in the management group for the refunding. In that case, you should be aware that Fran Jacobs’ husband is a vice president in First Boston’s municipal department. Should First Boston be granted a management role, this relationship must be disclosed to the Board and in the official statement.

Structure

As of February 1, 1992, $804.738 million First Resolution bonds are outstanding with final maturities of February 1, 1995. They consist of Series EE and HH bonds with a coupon of 7.5%, callable at any time with a call premium of 0.5%. The First Resolution capital reserves total approximately $325 million.

The proposed refunding issue would have maturities in 1993, 1994 and 1995. The issue size would be reduced by both the $200 million equity contribution necessary for tax purposes and the release of First Resolution capital reserves in excess of the reserve requirement of the refunding issuance. As the 1991 Resolution requires a smaller capital reserve, the size of a 1991 Resolution refunding is significantly smaller, approximately $375 million versus $500 million under the Second Resolution.

Because the short-term yield curve is so steep (1 year: 2.75%, 2 years: 3.75%, and 3 years: 4.75%), the maturity structure of the refunding has an enormous impact on the savings. The savings estimates of $40-50 million quoted earlier assume a structure that produces level savings. These savings could be increased significantly if they were backloaded and more principal were scheduled for retirement in the 1- and 2-year maturities. However, the scheduling of the savings must be determined in consultation with the City, particularly its expectation as to receipt of the $200 million equity. Fortunately, our preliminary indications are that the City would prefer a more backloaded savings structure.

Second vs 1991 Resolution

An issuance under the 1991 Resolution would yield at least $11 million cash savings due to smaller issue size. However, significant additional savings are possible because of the 1991 Resolution’s greater flexibility. For example, because we are not constrained by July 1 maturity dates under the 1991 Resolution, we can schedule them to coincide with the April tax deadlines which, based on our experience with commercial paper, permitted major yield concessions.
However, issuance under the 1991 Resolution could reduce MAC’s theoretical capacity to issue for new capital or for City operating purposes in the event of an emergency. The additional bonds test prevents maximum debt service under the resolution from exceeding 1/2 Sales Tax remaining after satisfying maximum debt service on senior resolutions. Theoretical capacity is reduced by approximately $900 million, from $6.3 billion to $5.4 billion (or about 14%) under the conservative assumptions used (see attached table).

I do not believe, however, this limitation has a realistic consequence. It is hard to imagine the circumstances when it would be necessary to come close to the theoretical issuance capacity short of an emergency. In an emergency, I expect that it would be relatively easy to obtain authority to issue bonds with longer maturities than 16 years, an action which would increase the issuance capacity significantly. Given the extra cash savings possible under an 1991 Resolution refunding, I would be inclined to use that resolution, even if we are unsuccessful in overcoming the obstacles necessary to sell the issuance to the short-term market.
FIRST RESOLUTION REFUNDING SUMMARY

($ Millions)

Outstanding First Resolution bonds $804.7
Capital Reserves 325.0
Equity 200.0

Refunded By

Second Resolution

Sources

Refunding Bonds $508.9
Capital Reserve Release 107.2
Equity 200.0

816.1

Uses

Refunded Par $804.7
Call Premium 4.0
Refunded Accrued Interest 5.1
Underwriting/Cost of issuance 2.3

816.1

1991 RESOLUTION REMAINING DEBT CAPACITY

Upon Refunding(2) $6,285
After FY 95(3) $5,962

ISSUANCE CHARACTERISTICS (Level Savings Structure)(1)

Net Cash Savings $68.6
Net Present Value Savings $52.5
NPV % Bonds 10.3%
TIC 4.1%
Capital Reserve Requirement $217.8

$374.8
240.7
200.0
815.5

1991 Resolution

815.5

10 February 1992

(1) Based on First Boston analysis January 29, 1992.
(2) Assumes Sales Tax $2.2 billion, level debt service until 2008 (16 years) at 8%.
(3) Assumes Sales Tax $2.2 billion, no further issuance, level debt service until 2008 (12 years) at 8%.
10 February 1992

Mr. Bill Di Gennaro
Citibank Cash Management Services
460 West 33rd Street
3rd Floor, Zone 20
New York, New York 10001

Dear Mr. Di Gennaro:

The Municipal Assistance Corporation’s Commercial Paper Program ended in 1986. As of the last payment of Commercial Paper, Citibank no longer had a role as Issuing and Paying Agent for the Corporation. Since then, we have many times requested that the accounts related to the Corporation’s Commercial Paper Program be cancelled. Please cancel account 0016-7089-5776 and any other accounts related to the Municipal Assistance Corporation’s Commercial Paper Program.

Sincerely,

Frances H. Jacobs
Deputy Executive Director
dand Treasurer

FHJ:ca
CITIBANK CASH MANAGEMENT SERVICES
460 WEST 33RD STREET
3RD FLOOR, ZONE 20
NEW YORK, NEW YORK 10001

CITIBANK AS ISSUING AND PAYING
AGENT FOR THE MUNICIPAL ASSISTANCE
CORP. FOR THE CITY OF NEW YORK,
ATTN: ANGELINA SARACENO
ONE WORLD TRADE CENTER
SUITE 0901
NEW YORK, NEW YORK 10048

NONE

CYCLE STATEMENT FOR ACCOUNT 00167 7089

NAME: CITIBANK AS ISSUING AND PAYING

RULE-OFF PERIOD: MONTHLY
PERIOD FROM: 01/01/92 TO 01/31/92
CUSTOMER CONTACT: NONE
TELEPHONE: NO TELEPHONE

FOR INQUIRIES CONCERNING YOUR ACCOUNT
CONTACT: BILL DI Gennaro (212)971-4184

SPECIAL INSTRUCTIONS:
NONE
ROUTING INSTRUCTIONS: NONE

REPORTS:
SUMMARY BY TRANSACTION
PAID CHECKS
BACKVALUE DETAIL REPORT
INTEREST STATEMENT SUMMARY

OUTPUTS:
NONE

COPIES: 01

NONE
NO DATA PRODUCED FOR THIS REPORT AT THIS TIME
REPORT DATE 02/03/92
ACCOUNT 0016-7089 RULE OFF FROM 01/01/92 TO 01/31/92
ACCT: CITIBANK AS ISSUING AND PAYING

RUN DATE 02/01/92 TIME 10:55
PAGE 1

STATEMENT
OPENING LEDGER BALANCE
0.00
OPENING AVAILABLE BALANCE
0.00

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>DEBITS</th>
<th>CREDITS</th>
<th>BALANCE</th>
</tr>
</thead>
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</tr>
<tr>
<td>CREDITS</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

CLOSING LEDGER AS OF 01/31/92
CLOSING AVAILABLE AS OF 01/31/92
Date: 7 February 1992
To: Investment Committee
From: Frances H. Jacobs
Re: Draft Quarterly Investment Report

Enclosed for your review is a copy of the draft Quarterly Investment Report.

I will be calling you in the next few days to get your comments.
February 1992

Board of Directors

Quentin B. Spector

Investment Report
Quarter Ending December 31, 1991

The Corporation's Investment Guidelines require that the Executive Director report quarterly to the Board of Directors on the status of the Corporation's investments. In particular, the Guidelines mandate that the report include an inventory of existing investments as of the end of the quarter, a summary of investments made during the quarter, and a listing of "investment bankers, brokers, agents, dealers, custodians, investment advisors and auditors used by the Corporation in making or holding investments during such quarter."

All investments during the quarter ended December 31, 1991 were Permitted Obligations authorized by the Investment Guidelines. For the purpose of this report, we have grouped the Corporation's various accounts into three major funds:

(1) **Debt Service Funds** consisting of the Debt Service Fund for payment of principal and interest on First Resolution bonds; the Bond Service Fund for the payment of principal and interest on Second Resolution bonds; the Bond Payment Fund for payment of principal and interest on 1991 Resolution Bonds; the Unpledged Revenue Account; and the Bond Proceeds Account;

(2) **Capital Reserve Funds** consisting of the First Capital Reserve Fund, the Second Capital Reserve Fund and the 1991 Bond Reserve Fund;

(3) **Operating Fund**.

Attachment A of this memorandum lists the Corporation's investments according to these three major funds as of December 31, 1991. (A description of each of the funds is provided in Attachment E.) Attachment B displays the income recorded by each of the major funds for the quarter. The Corporation earned $29.8 million during the quarter.

At December 31, 1991, the amortized cost of the Corporation's holdings of marketable securities was approximately $1.510 billion. (This is exclusive of approximately $1.394 billion of bonds of the City of New York.) Attachment C describes the investment activity within the various accounts during the quarter. Investments are depicted by monthly transactions which are categorized by maturity and security type. All funds of the
Corporation are continually invested in direct obligations of the United States of America, with the exception of up to $3 million invested in daily repurchase agreements under which the Corporation purchases and receives securities subject to master agreements with participating money center banks. Attachment D provides a listing of the dealers and providers of investment related services which the Corporation used to carry out its investment program.
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
FOURTH QUARTER INVESTMENT REPORT
INVESTMENT IN MARKETABLE SECURITIES
(In Thousands)

<table>
<thead>
<tr>
<th>December 31, 1991</th>
<th>Principal</th>
<th>Market</th>
<th>Cost</th>
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</thead>
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<tr>
<td><strong>Marketable Securities:</strong></td>
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<tr>
<td><strong>Debt Service Fund</strong></td>
<td></td>
<td></td>
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<tr>
<td>Obligations Maturing in Less than One Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$ 507,620</td>
<td>$ 512,687</td>
<td>$ 515,288</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 507,620</td>
<td>$ 512,687</td>
<td>$ 515,288</td>
</tr>
<tr>
<td><strong>First Capital Reserve Fund</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Obligations Maturing in Less than One Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$ 176,855</td>
<td>$ 178,116</td>
<td>$ 177,340</td>
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<tr>
<td>One to Five Years</td>
<td>$ 147,782</td>
<td>$ 150,628</td>
<td>$ 145,896</td>
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<tr>
<td>Total</td>
<td>$ 324,637</td>
<td>$ 328,744</td>
<td>$ 323,236</td>
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<tr>
<td><strong>Second Capital Reserve Fund</strong></td>
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<td></td>
</tr>
<tr>
<td>Obligations Maturing in Less than One Year</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. Treasury</td>
<td>$ 219,386</td>
<td>$ 221,547</td>
<td>$ 218,685</td>
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<tr>
<td>One to Five Years</td>
<td>$ 364,333</td>
<td>$ 372,081</td>
<td>$ 353,355</td>
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<tr>
<td>Total</td>
<td>$ 583,718</td>
<td>$ 593,628</td>
<td>$ 571,935</td>
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<tr>
<td><strong>Operating Fund</strong></td>
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<tr>
<td>Securities Purchased Under Agreement to Resell</td>
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</tr>
<tr>
<td></td>
<td>$ 1,825</td>
<td>$ 1,825</td>
<td>$ 1,825</td>
</tr>
<tr>
<td><strong>Other Securities:</strong></td>
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<tr>
<td><strong>1991 Bond Reserve Fund</strong></td>
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<td></td>
</tr>
<tr>
<td>Obligations Maturing in One to Five Years</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>State and Local Government Series*</td>
<td>$ 7,391</td>
<td>$ 7,391</td>
<td>$ 7,391</td>
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<tr>
<td><strong>Total</strong></td>
<td>$1,613,970</td>
<td>$1,535,373</td>
<td>$1,510,649</td>
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</table>

*These securities cannot be sold on the open market and can only be redeemed prior to maturity at a price imposed by the U.S. Treasury.*
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
Record of Income
($ Thousands)

<table>
<thead>
<tr>
<th>Debt Service Funds</th>
<th>Reserve Funds</th>
<th>Operating Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 29,771,300</td>
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<tr>
<td>$ 10,680,080</td>
<td>19,064,397</td>
<td>26,823</td>
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</table>

Second Quarter Income

$ 29,771,300
ATTACHMENT C

For the quarter ended 12/31/71
Analyses of Investment Securities
Municipal Assistance Corporation for the City of New York

(5 MILLIONS)

Note: Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, and after
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
LISTING OF DEALERS AND
INVESTMENT RELATED SERVICES

During the quarter ending December 31, 1991, the Corporation made investments in government securities through the following dealers:

Bank of America
Chemical Bank
Dean Witter Reynolds Inc.
First Boston Corporation
Harris Trust & Savings Bank
Kidder, Peabody & Company, Inc.
Morgan Guaranty Trust Company of New York

During the quarter ending December 31, 1991, the Corporation entered into repurchase agreements with the following bank:

Morgan Guaranty Trust Company of New York

The Bank of New York was appointed April 1, 1986 as the Corporation's financial advisor. On June 30, 1991 its contract was renewed for a two year period ending July 1, 1993. U.S. Trust Co. provided transaction processing services pursuant to the current agreement with the Corporation.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Capital Reserve Funds

First Capital Reserve Fund

The First Capital Reserve Fund was established pursuant to the First General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on First Resolution bonds. The required funding level is the succeeding calendar year's debt service on First Resolution bonds. The fund is to be used to pay debt service on First Resolution bonds any time the available State sales tax and stock transfer tax are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Debt Service Fund and used to pay debt service on First Resolution bonds.

Second Capital Reserve Fund

The Second Capital Reserve Fund was established pursuant to the Second General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on Second Resolution bonds. The required funding level is the succeeding calendar year's debt service on Second Resolution bonds. The fund is to be used to pay debt service on Second Resolution bonds any time the available State sales tax, stock transfer tax and per capita aid are not sufficient to pay such debt service. Monies on deposit in the Fund have been derived from proceeds of the issuance of bonds and State revenues available to the Corporation, along with retained interest earnings. Amounts in excess of the required funding level are transferred periodically to the Bond Service Fund and used to pay debt service on Second Resolution bonds.

1991 Bond Reserve Fund

The 1991 Bond Reserve Fund was established pursuant to the 1991 General Bond Resolution for the purpose of creating a reserve for the payment of principal and interest on 1991 Resolution bonds. The required funding level is one half the maximum annual debt service. The fund is to be
used to pay debt service on 1991 Resolution bonds any time
the available State sales tax, stock transfer tax and per
capita aid are not sufficient to pay such debt service." Monies on deposit in the fund have been derived from
proceeds from the issuance of bonds. Amounts in excess of
the required funding level are transferred periodically to
the Bond Payment Fund and used to pay interest on 1991 Bond
Resolution bonds.

Debt Service Funds

Debt Service Fund

The Debt Service Fund was created under the First General
Bond Resolution for the purpose of paying debt service on
First Resolution bonds.

Monies for the payment of debt service are available from
the following sources: (i) payments made by the State
Comptroller to the Corporation of State sales tax and stock
transfer tax pursuant to periodic certifications of the
Corporation; (ii) transfers of excess amounts on deposit in
other funds or accounts; and (iii) interest earnings on
monies held in this fund. Monies for the payment of debt
service are transferred from the Debt Service Fund to
payment accounts on the business day prior to a payment
date.

Bond Service Fund

The Bond Service Fund was created under the Second General
Resolution for the purpose of paying debt service on Second
Resolution bonds.

Monies for the payment of debt service are available from
the following sources: (i) payments made by the State
Comptroller to the Corporation of State sales tax, stock
transfer tax and per capita aid pursuant to periodic
certifications of the Corporation; (ii) transfers of excess
amounts on deposit in the other funds or accounts; and (iii)
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

interest earnings on monies held in this fund. Monies for
the payment of debt service are transferred from the Bond
Service Fund to payment accounts on the business day prior
to a payment date.

Bond Payment Fund

The Bond Payment Fund was created under the 1991 General
Bond Resolution for the purpose of paying debt service on
1991 Resolution bonds.

Monies for the payment of debt service are available from
the following sources: (i) payments made by the State
Comptroller to the Corporation of State sales tax, stock
transfer tax and per capita aid pursuant to periodic
certifications of the Corporation; (ii) transfers of excess
amounts on deposit in the other funds or accounts; and (iii)
interest earnings on monies held in this fund. Monies for
the payment of debt service are transferred from the Bond
Payment Fund to payment accounts on the business day prior
to a payment date.

Unpledged Revenues Account

The Unpledged Revenues Account consists of monies which are
not pledged to secure any obligation of the Corporation.
These monies are available for general corporate purposes.

Monies in this Account are derived from (i) principal and
interest payments on New York City bonds held by the
Corporation in exchange for proceeds of the Corporation’s
bonds issued for City capital purposes; and (ii) interest
earnings retained on amounts on deposit in this Account.

Periodic transfers are made to the Debt Service and Bond
Service Funds for the payment of debt service on First and
Second Resolution bonds. Such transfers reduce the amount
of State revenues needed to make such payments.

In addition, monies in this Account are used to make open
market purchases of the Corporation’s bonds in satisfaction
of mandatory sinking fund requirements.
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
FISCAL YEAR 1992
SECOND QUARTER INVESTMENT REPORT
DESCRIPTION OF ACCOUNTS

Bond Proceeds Account

Proceeds of the sale of bonds by the Corporation are held in the Bond Proceeds Account until applied to the purposes for which they were raised and invested pending expenditures. Earnings on such investments are used to pay debt service under the respective resolutions.

Operating Fund

The Operating Fund was created under the First General Bond Resolution to pay the operating expenses of the Corporation which, for the purposes of the Operating Fund, include the expenses of the Office of the State Special Deputy Comptroller and those of the State Financial Control Board. Monies for this fund are obtained from payments made by the State Comptroller to the Corporation in accordance with the Corporation’s periodic certification of needs.
Date: 7 February 1992
To: Richard Kelly, NYC Comptroller’s Office
From: Beatrice Gilling Raynor
Re: NYC Comptroller’s Report

Enclosed please find the Corporation’s quarterly schedule of debt outstanding as of December 31, 1991.

New York City Bonds held at December 31, 1991 totaled $1,393.5 million.

Please feel free to call should you have any questions, or require further information.
MUNICIPAL ASSISTANCE CORPORATION

Restatement of Financial Position for Purposes of New York City

Comptroller's Report

Fiscal 1992

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tr>
<td>Reserve Fund Assets</td>
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<td>Debt Service Fund Assets</td>
<td>274,596,412</td>
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<tr>
<td>Gross Assets Held Pursuant to Resolution for Debt Service</td>
<td>1,285,475,614</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
</tr>
<tr>
<td>Accrued Interest Payable on MAC Bonds</td>
<td>31,085,563</td>
</tr>
<tr>
<td>Payable For Investment Securities Purchased</td>
<td>148,206</td>
</tr>
<tr>
<td>Rebate Requirement</td>
<td>11,973,562</td>
</tr>
<tr>
<td><strong>Net Assets Held Pursuant to Resolution for Debt Service</strong></td>
<td>1,242,268,283</td>
</tr>
<tr>
<td>Bonds Payable</td>
<td>6,471,293,000</td>
</tr>
<tr>
<td><strong>Debt Outstanding</strong></td>
<td><strong>$6,471,293,000</strong></td>
</tr>
</tbody>
</table>
6 February 1992

Mr. Patrick J. Bulgaro
Director of the Budget
State of New York
Division of the Budget
State Capitol, Room 113
Albany, New York 12224

Dear Mr. Bulgaro:

We have reviewed the attached Budget Bill S.6809/A.9309.

Insomuch as S.6809/A.9309 preserves the Corporation’s claim to Per Capita Aid revenues to be used for debt service on bonds issued pursuant to the Second and 1991 General Bond Resolutions and the operating expenses of the Corporation, prior to the new claim on such revenues asserted by the State, we do not object to the enactment of the legislation.

Very truly yours,

[Signature]

Quentin B. Spector
Executive Director

LK:ca
STATE OF NEW YORK

E. 6809
A. 9309

SENATE — ASSEMBLY

January 12, 1992

IN SENATE — A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution — read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY — A BUDGET BILL, submitted pursuant to article seven of the Constitution — read once and referred to the Committee on Ways and Means

AN ACT to amend the state finance law and the public authorities law, in relation to the payment of municipal assistant state aid to cities for which a municipal assistance corporation has been created under article 10 of the public authorities law and to repeal certain provisions of the state finance law relating thereto

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1. Section 1. Paragraph 5 of subdivision 7 of section 34 of the state finance law, as amended by chapter 670 of the laws of 1975, is amended to read as follows:

4. Upon such certification of the amounts payable to counties, cities, villages and town for town-wide and town outside village purposes, such per capita aid shall be apportioned and paid to the chief fiscal officer of each such locality pursuant to this section as authorized and approved by the state comptroller out of money appropriated by the legislature for such purpose to the credit of the local assistance fund in the general fund of the state treasury, provided only that upon such certification of amounts payable to the city of New York, such per capita aid shall be apportioned and paid as follows: (a) any amounts required to be paid to the city university construction fund pursuant to the city university construction fund act, (b) any amounts required to be paid to the New York city housing development corporation pursuant to the New York city housing development corporation act, (c) any amounts required to be paid by the city to the New York city transit authority pursuant to the provisions of chapter seven of the laws of nineteen hundred seventy-two, (d) any amounts required to be paid by the city to the state to repay an advance made in nineteen hundred seventy-four to

EXPLANATION—Matter in italics (underscored) is new matter in brackets [ ] is old law to be omitted.
1. Subsidize the fare of the New York city transit authority, (vi) five hundred thousand dollars to the chief fiscal officer of the city of New York for payment to the trustees of the police pension fund of such city pursuant to the provisions of paragraph 4 of this subdivision, (vi) eighty million dollars to the special account for the municipal assistance corporation for the city of New York in the municipal assistance tax fund created pursuant to section ninety-two-o of [the state finance law] this chapter, to the extent that such amount has been included in any computation for the issuance of bonds on a parity with outstanding bonds pursuant to a contract with the holders of such bonds prior to the issuance of any other bonds secured by payments from the municipal assistance state aid fund created pursuant to section ninety-two-o of [the state finance law] this chapter, and (vii) the balance to the extent that such amount has been included in any computation for the issuance of bonds on a parity with outstanding bonds pursuant to a contract with the holders of such bonds prior to the issuance of any other bonds secured by payments from the municipal assistance state aid fund created pursuant to section ninety-two-o of [the state finance law] this chapter, and (viii) any amounts to be refunded to the general fund of the state of New York pursuant to the annual appropriation enacted for the municipal assistance state aid fund. Notwithstanding any existing law, no payments of per capita aid payable to the city of New York shall be paid to the state of New York municipal bond bank agency, the New York state sports authority or the transit construction fund so long as amounts of such aid are required to be apportioned to the municipal assistance state aid fund, and thereafter, after payment of the amounts described in subparagraphs (i) through (vii), (viii) the balance shall be paid (A) to the state in repayment of the appropriation of two hundred fifty million dollars made to the city pursuant to the chapter, of the laws of fifteen hundred seventy-five providing emergency financial assistance to the city of New York at the extraordinary session held in such year, as amended, (B) to the state of New York municipal bond bank agency to the extent provided by section twenty-four hundred thirty-six of the public authorities law, (C) to the New York state sports authority to the extent provided by section twenty-four hundred sixty-three of the public authorities law, (D) to the transit construction fund to the extent provided by section twelve hundred twenty-five-i of the public authorities law, and thereafter (E) to the city.

§ 2. Paragraph 4 of subdivision 7 of section 84 of the state finance law is REPEALED and a new paragraph 4 is added to read as follows:

1. Notwithstanding paragraph 2 of subdivision 6 of this section, for a city with a population of one million or more, the sum of forty-nine million eight hundred eight thousand nine hundred eleven dollars ($49,808,911) or the amount apportioned to such city shall be paid on December fifteenth, subject to the provisions of subdivision seven of this chapter and subdivision five of section 92-o of this chapter.

§ 3. Subdivisions 3 and 5 of section 92-o of the state finance law, as added by chapter 189 of the laws of 1975, are amended to read as follows:

3. Each per capita aid apportioned to a city in aid of which a municipal assistance corporation has been created, shall be deposited by the comptroller to the credit of the special account established for the municipal assistance corporation which has been created in aid of such city in order to enable such corporation to fulfill the terms of any agreements made with the holders of its notes and bonds and to carry out its corporate purposes, including the maintenance of the capital reserve
fund securing such bonds and notes, and, subject to the provisions of
section fifty-four of (the state finance law) this chapter, and subdiv-
isions five and six of this section, the balance, if any, shall be
paid to the chief fiscal officer of the city in aid of which such cor-
poration has been created as hereinafter provided.

9. Upon receipt by the comptroller of a certificate or certificates
from the chairman of a municipal assistance corporation that such cor-
poration requires a payment or payments in order to comply with any
agreement with the holders of its notes and bonds and to carry out its
corporate purposes, including the maintenance of the capital reserve
fund securing such bonds, from the appropriate special account estab-
lished for such corporation, each of which certificates shall specify
the required payment or payments and the date when the payment or
payments is required, the comptroller shall pay from such special ac-
count on or before the specified date or within thirty days after
receipt of such certificate or certificates, whichever is later, to such
corporation, as the chairman thereof may direct in any such certificate,
the amount or amounts so certified. The comptroller shall from time to
time, but in no event later than the fifteenth day of October, January
and April and the last day of June of each fiscal year, pay over and
distribute to the chief fiscal officer of the city in Aid of which such
municipal assistance corporation has been created to be paid into the
treasury of such city to the credit of the general fund all revenues in
the special account established for such corporation in the municipal
assistance state aid fund, if any, in excess of (1) the aggregate amount
which the chairman of such corporation has certified to the comptroller
and which has been previously paid to such corporation as herein above
authorized, and (2) amounts to be refunded to the general fund of the
state of New York pursuant to subdivision five of this section. In no
event shall the comptroller pay over and distribute any revenues to any
person other than the municipal assistance corporation unless and until
the aggregate of all payments-certiñed to the comptroller as required
by such corporation as of such date in order to comply with its
agreements with the holders of its notes and bonds and to carry out its
corporate purposes, including the maintenance of the capital reserve
fund securing such bonds, which remain unpaid to such corporation shall
have been paid in full to such corporation; provided, however, that no
person, including such corporation or the holders of its notes or bonds
shall have any lien on such revenues and such agreement shall be ex-
clusive only to the extent of such revenues available to the state in
such special account.

§ 4. Section 92—2 of the state finance law is amended by adding a new
subdivision 9-a to read as follows:

9-a. In no event shall the comptroller pay over any revenue to the
city in aid of which such municipal assistance corporation has been
created as specified in subdivision five of this section unless and un-
til the director of the budget certifies the amount or amounts to be
refunded to the general fund of the state of New York pursuant to sec-
tion fifty-four of this chapter. Such amount shall be deducted from the
first amounts available for payment to such city after certification by
the chairman of, and payment to, if required, the municipal assistance
corporation as specified in subdivision five of this section and
refunded to the general fund of the state. The remainder shall be paid
to the chief fiscal officer of the city in aid of which such municipal
assistance corporation has been created.
S. 6809

1 § 5. Subdivision 1 of section 6636-a of the public authorities law, as
2 added by chapter 117 of the laws of 1975, is amended to read as follows:
3 1. In addition to the total amount certificated by such chairman for each
4 fiscal year, all as referred to in subdivision one of section three
5 thousand thirty-six, the chairman shall at the same time certify to the
6 state comptroller and to the mayor a schedule setting forth additional
7 cash requirements of the corporation which shall be equal to: (i) the
8 amounts which are required to be deposited in the capital reserve fund
9 authorized to be created and established pursuant to subdivision two of
10 this section (in this section called the capital reserve fund) during
11 such fiscal year, in order to maintain the capital reserve fund at the
12 level required in accordance with subdivision four of this section; (ii)
13 the amounts required to be deposited in the bond service fund of the
14 corporation to pay all interest and all payments of principal and
15 redemption premiums; if any, on notes and bonds payable from the sources
16 hereinafter identified in this section and maturing or otherwise coming
17 due during such fiscal year; and (iii) the amounts required to be depo-
18 sited in the operating fund of the corporation hereafter established,
19 as determined by the corporation, to meet the operating requirements
20 and other expenses of the corporation during such fiscal year. If any in-
21 crease shall occur in such additional cash requirements specified above,
22 or if payments are required at a time or times earlier than previously
23 certified or if the city shall, for any reason fail to make timely
24 payment of the principal and accrued interest due on any obligation is-
25 sued by the city to the corporation and maturing within the same fiscal
26 year, such chairman shall certify a revised schedule of such additional
27 cash requirements for such fiscal year to the state comptroller and to
28 the mayor. The schedule accompanying each certification or revision
29 thereof, shall provide for such payment dates as the corporation deems
30 appropriate to assure that sufficient funds will be available from the
31 sources identified below to enable it to meet its current obligations
32 under this section as they come due. Upon receipt of such certification,
33 or any revision thereof, the state comptroller shall pay such amounts to
34 the corporation for deposit in the appropriate funds referred to in this
35 section, in accordance with such certification from the special account
36 established for the corporation in the municipal assistance state aid
37 fund in accordance with subdivision one of section ninety-two-e of the
38 state finance law, and, subject to agreements with outstanding bond and
39 note holders of the corporation, from the special account established
40 for the corporation in the municipal assistance tax fund, in accordance
41 with subdivision one of section ninety-two-d of the state finance law,
42 including any amount transferred to the municipal assistance tax fund
43 from the stock transfer tax fund pursuant to subdivision four of section
44 ninety-two-b of the state finance law, any such payment shall be made
45 within thirty days of receipt of the certification or at the time speci-
46 fied in the certification, whichever is later; provided that any such
47 amounts shall have been first appropriated by the state for such purpose
48 or shall have been otherwise made available. Any amount paid to the cor-
49 poration from such municipal assistance state aid fund shall be deducted
50 from the amount otherwise payable to the city as per capita aid pursuant
51 to section fifty-four and section ninety-two of the state finance
52 law and shall not obligate the state to make, nor entitle the city to
53 receive, any additional payments of per capita aid. Any amount so paid
54 to the corporation from the municipal assistance tax fund shall, in ad-
55 dition to the amount deducted pursuant to subdivision one of section
56 three thousand thirty-six, be deducted from the amount otherwise payable
to the city from the municipal assistance tax fund and shall not obligate the state to make, nor entitle the city to receive, any additional payments from such municipal assistance tax fund.

§ 5. Subdivision 1 of section 3016-b of the public authorities law, as added by chapter 446 of the laws of 1991, is amended to read as follows:

1. In addition to the total amount certified by such chairman for such fiscal year, all as referred to in subdivision one of each of sections three thousand thirty-six and three thousand thirty-six-th of this title, the chairman shall at the same time certify to the state comptroller and to the mayor a schedule setting forth additional cash requirements of the corporation which shall be equal to: (i) the amounts required to be deposited in the bond payment fund of the corporation to pay all interest and all payments of principal and redemption premium, if any, on bonds and notes payable from the sources hereinafter identified in this section and maturing or otherwise coming due during such fiscal year; (ii) the amounts required to be deposited in the operating fund of the corporation heretofore established, as determined by the corporation, to meet the operating requirements and other expenses of the corporation during such fiscal year to the extent not otherwise provided for; and (iii) the amounts required to be deposited in the bond reserve fund created and established pursuant to the agreements of the corporation made with the holders of its bonds or notes issued pursuant to subdivision two of section three thousand thirty-three of this title during such fiscal year in order to maintain the bond reserve fund at the level required in accordance with the agreements of the corporation made with the holders of its bonds or notes issued pursuant to subdivision two of section three thousand thirty-three of this title. If any increases shall occur in such additional cash requirements specified above, or if payments are required at a time or times earlier than previously certified or if the city shall, for any reason, fail to make timely payment of the principal and accrued interest due on any obligation issued by the city to the corporation and maturing within the same fiscal year, such chairman shall certify a revised schedule of such additional cash requirements for such fiscal year to the state comptroller and to the mayor. The schedule accompanying each certification, or revision thereof, shall provide for such payment dates as the corporation deems appropriate to ensure that sufficient funds will be available from the sources, identified below, to enable it to meet its current obligations under this section as they come due. Upon receipt of such certifications or any revision thereof, the state comptroller shall pay such amount to the corporation for deposit in the appropriate funds referred to in this section, in accordance with such certification and subject to agreements with holders of outstanding bonds and notes of the corporation, from the special account established for the corporation in the municipal assistance state aid fund in accordance with subdivision one of section ninety-two of the state finance law and from the special account established for the corporation in the municipal assistance tax fund in accordance with subdivision one of section ninety-two-b of the state finance law, including any amount transferred to the municipal assistance tax fund from the street transfer tax fund pursuant to subdivision four of section ninety-two-b of the state finance law. Any such payment shall be made within thirty days of receipt of the certification or at the time specified in the certification, whichever is later; provided that any such amounts shall have been first appropriated by the state for such purpose or shall have been otherwise made available. Any amount paid to the corporation from such municipal assistance state aid...
fund, in addition to the amount deducted pursuant to subdivision one of
section three thousand thirty-six of this title, shall be deducted
from the amount otherwise payable to the city as per capita aid pursuant
to sections fifty-four and fifty-five of the state finance
law and shall not obligate the state to make, nor entitle the city to
receive, any additional payments of per capita aid. Any amount so paid
to the corporation from the municipal assistance tax fund, in addition
to the amount deducted pursuant to subdivision one of each of section
three thousand thirty-six or three thousand thirty-six of this title,
shall be deducted from the amount otherwise payable to the city from the
municipal assistance tax fund and shall not obligate the state to make,
nor entitle the city to receive, any additional payments from such
municipal assistance tax fund.

§ 7. This act shall take effect immediately.
6 February 1992

Mr. Albert A. Brust
5920 18th Street North
Apartment G-16
St. Pete, Florida 33714

Dear Mr. Brust,

The Series 27 Bonds were issued on February 5, 1981 at a price of par. The Corporation is involved in pricing the initial offering only. You will have to contact the original broker or bank who sold you the bonds to find out the price you paid for them.

Sincerely,

Frances H. Jacobs
Deputy Executive Director
and Treasurer

FHJ:ca
Municipal Ass'n of Corporation Jan. 28 - 1982

Please! I hope you can help me.

PROBABLY during "1981" I purchased, for less than par, 25 MAC Bonds - they were I.D. as below:

REGISTRATION
27R-08-314
10 5/8 July 1 - 2008 SERIES 27 BOND
CUSIP 626190 FX5

ALBERT A BRUST APT 315
5151 4TH ST NORTH
ST PETERSBURG, FLA 33703

$25,000
DATE DEC. 07 1984

I suspect they were registered on. I know I had them "for some time" before registration - at which time I mailed them "for holding" to Fidelity Brokerage, Boston, Mass. Fidelity held them for me until they were called on July 1 - 1991.

I need to know at what price I purchased them so that I can prepare my IRS return.

My present address is:

ALBERT A. BRUST Apt G 16
5920 18TH ST NORTH
ST. PETERSBURG, FLORIDA 33714

Thank you,

Albert A Brust
6 February 1992

Ms. Sue L. Saidel
420 East 86th Street
New York, New York 10028

Dear Ms. Saidel:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

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

Sincerely,

[Signature]

Quentin B. Spector
Executive Director

QBS:ca
6 February 1992

Ms. Rochelle Ross
2 Greentree Circle
Westbury, New York 11590

Dear Ms. Ross:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

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

Sincerely,

Quentin B. Spector
Executive Director

QBS:ca
6 February 1992

Mr. Robert E. Sweeney
704 McCutcheon Road
Hudson, Wisconsin 54016

Dear Mr. Sweeney:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

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

Sincerely,

Quentin B. Spector
Executive Director

QBS:ca
6 February 1992

Mr. Lenard Hood
134-33 Blossom Avenue
Queens, NY 11355

Dear Mr. Hood:

Thank you very much for your letter expressing interest in a job here at the Municipal Assistance Corporation. I'm sorry but there are no vacancies requiring your qualifications at present.

We would like to keep your resume on file in case such a position should become available in the future.

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

Sincerely,

Quentin B. Spector
Executive Director
February 6, 1992

Mr. Michael J. Gentile
E-Z ADDRESSING SERVICE
80 Washington Street
New York, New York 10006

Re: Distribution of Quarterly Financial Statements

Dear Mr. Gentile:

This letter is to authorize the distribution of the Corporation's Quarterly Financial Statements for the quarter ending December 31, 1991, in accordance with your estimate dated February 4, 1992 (copy attached).

We anticipate delivery of the quarterlies on February 14, 1992.

Thank you very much.

Sincerely,

Frances H. Jacobs
Deputy Executive Director and Treasurer

FHJ:ca

Attachment

cc: Quentin B. Spector
Denise Dean
February 4, 1992

Ms Frances H. Jacobs
Municipal Assistance Corp.
1 World Trade Center Ste 8901
New York, NY 10048

Dear Ms Jacobs:

As requested, the following is the distribution for your quarterly report:

<table>
<thead>
<tr>
<th>Market Letter Publishers</th>
<th>350</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal Assistance Corp. List</td>
<td>612</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>962</strong></td>
</tr>
</tbody>
</table>

Our charges are $65.00 for addressing and $185.00 for affixing your labels, inserting, and mailing First Class (including trucking to the Post Office).

First Class postage for this report should be $.98 each and postage would be in addition to the charges listed above.

Sincerely,

Michael J. Gentile
February 6, 1992

Mr. John Daniels
DOREMUS & COMPANY
200 Varick Street
New York, New York 10014

Re: Publication of Quarterly Financial Statements Notice

Dear Mr. Daniels:

This letter is to authorize you to place the notice of publication of the Corporation’s Quarterly Financial Statements (approved proof attached) for the quarter ending December 31, 1991, in accordance with your media estimate dated February 4, 1992 (copy attached).

This notice should be placed for publication on, Friday, February 14, 1992.

Thank you very much.

Sincerely,

Frances H. Jacobs
Deputy Executive Director and Treasurer

FHJ:ca

Attachments (2)

cc: Quentin B. Spector
    Denise Dean
QUARTERLY FINANCIAL STATEMENTS

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

[A Public Benefit Corporation of the State of New York]

The Municipal Assistance Corporation For The City of New York has published its quarterly financial statements (unaudited) for the quarter ended December 31, 1991. A copy of these statements may be obtained by writing: Financial Statements, Municipal Assistance Corporation, One World Trade Center, Suite 8901, New York, New York 10048.
3 February 1992

PRICE WATERHOUSE
153 East 53rd Street
New York, New York 10022

Ladies and Gentlemen:

We confirm, to the best of our knowledge and belief, the information and opinions set forth below which we have given you with respect to the unaudited financial statements of the Municipal Assistance Corporation For The City of New York (the "Corporation") for the three-month and six-month periods ended December 31, 1991.

The representations made to you in our letter of August 13, 1991 are equally applicable to the unaudited financial statements for the six-month period ended December 31, 1991 as regards:

1. Liabilities (direct or contingent), commitments and agreements at December 31, 1991, of which we are aware, have been described in the financial statements.

2. Assets, all of which we are aware, are included in the financial statements.

3. At December 31, 1991, the Corporation held $1,393.5 million principal amount of City bonds. The City obligations held at December 31, 1991 bear interest at rates ranging from 7.00% to 13.6% and mature from September 15, 1992 to September 15, 2007. City bonds owned by the Corporation may not be sold without the consent of the City and accordingly are carried at cost.

The Corporation, in making its certification for funds, is required to exclude from consideration any amounts it expects to receive as payment on City obligations until such amounts are received.

4. On April 2, 1986, the Corporation entered into an agreement with the State and the City to make available approximately $1.6 billion of additional revenues during the 1987 through 1995 fiscal years. Revenues made available pursuant to this agreement are determinable at the close of the Corporation's fiscal year. As of June 30, 1991, the Corporation had made available $978 million of these revenues, including $70 million made available during fiscal 1991 for City operations which had previously been earmarked for the transit capital program.
On May 16, 1989, the Corporation entered into an agreement with the State and the City to make available $750 million of additional revenues to the City of New York during the 1990 through 1997 fiscal years. These revenues are in addition to those provided by the April 1986 agreement. Revenues made available pursuant to this agreement are determinable at the close of the Corporation's fiscal year. As of June 30, 1991, the Corporation made available $267 million of these revenues, including $75 million made available during fiscal 1991 for City operations which had previously been earmarked for the New York City School Construction Authority capital program.

On July 19, 1990, the Corporation, the State and the City entered into a new memorandum of agreement amending the agreements executed on April 2, 1986 and May 16, 1989. Under the new agreement, the Corporation will make available for City operations over the 1990 through 1997 fiscal years $1.465 billion of its excess revenues which previously had been committed to the capital programs of the New York City Transit Authority and the New York City School Construction Authority. The new agreement further provides that these capital programs will be funded in accordance with the schedules set forth in the 1986 and 1989 agreements with proceeds of the City's or the Corporation's debt. As of December 31, 1991, the Corporation has been advised that the City had funded $440 million of these programs.

The Corporation is required to reimburse the State of New York for an allocable share of costs attributable to the provisions of central governmental services pursuant to legislation enacted in 1989. Costs allocable to the Corporation are based on its pro-rata share of the lesser of the total amount of expenses incurred during the State's fiscal year in the provision of these services or $17.5 million. The Corporation's pro-rata share is based upon the proportion of its outstanding bonds to the total outstanding debt, consisting of bonds, notes and other obligations, of all public benefit corporations covered by the legislation. The Corporation's estimated allocable share of costs for the State's 1992 fiscal year is $3.0 million.
Under the Internal Revenue Code of 1986 (the "Code"), the Corporation, generally, is required to pay to the United States any excess earnings from the investment of the proceeds of the bonds issued after August 31, 1986 over the yield on each such issue. Under the Code and temporary and proposed regulations issued by the Department of the Treasury on May 12, 1989 and April 19, 1991 (the "Regulations") the Corporation will be required to pay any such excess earnings within 60 days of the end of the fifth year following issuance and each succeeding fifth year for each affected issue, with a final payment required to be made within 60 days of retirement of each such issue. The Corporation's rebate liability as of December 31, 1991 is approximately $12.0 million.

5. The Corporation's bonds may be refunded in advance of their maturity in accordance with provisions of the First, Second and 1991 General Bond Resolutions by placing in trust with the Trustee sufficient moneys and/or certain securities which together with investment income therefrom will be sufficient to pay principal and interest when due on the bonds which have been refunded. Although they remain valid debt instruments with regard to principal and interest payable thereon from the moneys or securities placed in trust, advance refunded bonds are deemed to have been paid within the meaning of the First, Second and 1991 General Bond Resolutions and are therefore no longer presented as liabilities of the Corporation. At December 31, 1991, $2,181.4 million of the Corporation's bonds which have been advance refunded remain valid debt instruments.

The Corporation certified to and was paid on January 10, 1992 from the Municipal Assistance Tax Fund sales tax revenues of $63.1 million for the First General Bond Resolution purposes, $84.7 million for Second General Bond Resolution purposes and $2.2 million for 1991 General Bond Resolution purposes.

6. The Corporation has agreed to reimburse the Financial Control Board for a portion of the cost of providing certain oversight services of the City's financial affairs.

7. Investments in Marketable Securities held in the Debt Service Fund are carried at the lower of cost or market value, inclusive of accrued interest, in accordance
with the bond resolutions pursuant to which they were established. Investments in marketable securities held in the Operating Fund are carried at the lower of cost or market value, inclusive of accrued interest. Investments may consist of direct obligations of, or obligations guaranteed by, the State or the United States of America, repurchase agreements pursuant to master agreements with certain authorized financial institutions and certain obligations of U.S government agencies. Investments are held by the Trustee in the name of the Corporation. City of New York obligations are carried at cost.

8. Investments in Marketable Securities held in the Reserve Funds are carried at amortized cost.

9. At December 31, 1991, the First General Bond Resolution Capital Reserve Fund balance was $331.4 the Second General Bond Resolution Capital Reserve Fund balance was $671.9 million and the 1991 General Bond Resolution Bond Reserve Fund balance was $7.6 million. Such amounts equalled or exceeded the required funding levels.

10. The Operating Fund provides for the expenses of carrying out the Corporation's duties and functions and is funded from the Municipal Assistance Tax Fund. The Operating Fund accounts have been prepared on the accrual basis of accounting. The Corporation's administrative expenses of debt issuance and service are charged to the Operating Fund as incurred. The assets of the Operating Fund at December 31, 1991 include approximately $1.825 million of securities purchased under an agreement to resell.

11. Minutes of the meetings of the Board of Directors made available to you in final form through August 8, 1991 represent all minutes of such meetings for the period commencing July 1, 1991 and ending September 27, 1991, except for the meeting held on September 27, 1991, for which you were provided minutes in draft form.

12. No matters or occurrences have come to our attention up to the present time which would materially affect the financial statements and related disclosures for the six-month period ended December 31, 1991, or, although not affecting such financial statements or disclosures, have caused or are likely to cause any material change, adverse or otherwise, in the financial position or
transactions of the Corporation. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

The unaudited financial statements for the six-month period ended December 31, 1991 have been prepared in conformity with generally accepted accounting principles applied on a basis consistent in all material respects with that followed in the preparation of financial statements for the year ended June 30, 1991.

Sincerely,

[Signature]
Quentin B. Spector
Executive Director

[Signature]
Frances H. Jacobs
Treasurer

[Signature]
Lynnette Kelly
Counsel