

MUNICIPAL ASSISTANCE CORPORATION

Distribution of Open Market Purchases  
(In \$ Thousands)

| Purchase Price<br>as a % of<br>Par | As of December 31, 1979 |              |              | As of January 21, 1980 |              |               |
|------------------------------------|-------------------------|--------------|--------------|------------------------|--------------|---------------|
|                                    | Series 8                | Series 9     | Total        | Series 8               | Series 9     | Total         |
| 86.60                              | 95                      | 500          | 595          | 95                     | 500          | 595           |
| 87.85                              |                         |              |              |                        | 30           | 30            |
| 88.10                              | 10                      |              | 10           | 25                     | 25           | 50            |
| 88.224                             |                         | 100          | 100          |                        | 100          | 100           |
| 88.225                             |                         | 200          | 200          |                        | 200          | 200           |
| 88.35                              |                         |              |              | 110                    | 20           | 130           |
| 88.40                              |                         |              |              |                        | 40           | 40            |
| 88.49                              |                         |              |              |                        | 20           | 20            |
| 88.60                              |                         |              |              | 15                     | 720          | 735           |
| 89.10                              | 100                     | 105          | 205          | 100                    | 115          | 215           |
| 89.225                             |                         | 100          | 100          |                        | 700          | 700           |
| 89.35                              | 5                       |              | 5            | 5                      |              | 5             |
| 89.40                              |                         |              |              |                        | 100          | 100           |
| 89.60                              |                         | 350          | 350          | 130                    | 2,110        | 2,240         |
| 89.62                              |                         |              |              |                        | 20           | 20            |
| 89.70                              |                         |              |              |                        | 50           | 50            |
| 89.725                             |                         |              |              |                        | 250          | 250           |
| 89.85                              |                         |              |              |                        | 30           | 30            |
| 89.91                              |                         |              |              | 450                    | 30           | 480           |
| 90.10                              | 365                     | 690          | 1,055        | 365                    | 1,020        | 1,385         |
| 90.35                              | 25                      |              | 25           | 25                     |              | 25            |
| 90.60                              | 345                     | 885          | 1,230        | 345                    | 885          | 1,230         |
| 90.62                              | 50                      | 10           | 60           | 50                     | 10           | 60            |
| 90.65                              |                         | 50           | 50           |                        | 50           | 50            |
| 90.66                              | 25                      |              | 25           | 25                     |              | 25            |
| 90.70                              | 50                      |              | 50           | 50                     |              | 50            |
| 90.725                             |                         | 1,015        | 1,015        |                        | 1,015        | 1,015         |
| 90.75                              |                         | 190          | 190          |                        | 190          | 190           |
| 90.86                              | 225                     | 25           | 250          | 225                    | 25           | 250           |
| 90.99                              |                         | 275          | 275          |                        | 275          | 275           |
| 91.10                              | 250                     | 455          | 705          | 250                    | 455          | 705           |
| 91.16                              | 25                      |              | 25           | 25                     |              | 25            |
| 91.18                              | 435                     |              | 435          | 435                    |              | 435           |
| 91.28                              |                         | 950          | 950          |                        | 950          | 950           |
| 91.29                              | 670                     |              | 670          | 670                    |              | 670           |
| 91.35                              | 140                     |              | 140          | 140                    |              | 140           |
| 92.10                              | 100                     |              | 100          | 100                    |              | 100           |
|                                    | <u>2,915</u>            | <u>5,900</u> | <u>8,815</u> | <u>3,635</u>           | <u>9,935</u> | <u>13,570</u> |
| Average Price                      |                         |              | <u>90.36</u> |                        |              | <u>90.02</u>  |
| Cost                               |                         |              | <u>7,965</u> |                        |              | <u>12,216</u> |
| Savings                            |                         |              | <u>850</u>   |                        |              | <u>1,354</u>  |

Distribution of Purchases  
By Size of Purchase  
 (As of January 21, 1980)

| Size of Purchase<br>(In \$ Thousands) | Number of Purchases |          |       | Average Size of Purchase<br>(In \$ Thousands) |          |         |
|---------------------------------------|---------------------|----------|-------|---|----------|---------|
|                                       | Series 8            | Series 9 | Total | Series 8                                      | Series 9 | Total   |
| 0 - 50                                | 24                  | 31       | 55    | 24.0  | 23.4     | 23.7    |
| 55 - 100                              | 6                   | 12       | 18    | 95.8  | 95.0     | 95.3    |
| 105 - 150                             | 3                   | 6        | 9     | 120.0   | 129.2    | 126.1   |
| 155 - 200                             | 3                   | 1        | 4     | 171.2   | 190.0    | 175.9   |
| 205 - 250                             | 1                   | 4        | 5     | 225.0   | 250.0    | 245.0   |
| 255 - 300                             |                     | 2        | 2     |   | 287.5    |         |
| 305 - 350                             |                     | 1        | 1     |   | 350.0    |         |
| 355 - 400                             |                     |          |       |   |          |         |
| 405 - 450                             | 2                   |          | 2     | 442.5   |          | 442.5   |
| 455 - 500                             | 1                   | 5        | 6     | 500.0   | 494.0    | 495.0   |
| Over 500                              | —                   | 2        | 2     | —   | 1,350.0  | 1,350.0 |
| Total                                 | 40                  | 64       | 104   | 90.9  | 155.2    | 130.5   |

MUNICIPAL ASSISTANCE CORPORATION

Analysis of Market Prices During  
Open Market Purchase Program

| <u>Date</u>            | <u>Bond Buyer</u>    |       | <u>MAC Yields</u> <sup>1/</sup> |       | <u>(Change from</u> |       | <u>Bonds Purchased</u>   |
|------------------------|----------------------|-------|---------------------------------|-------|---------------------|-------|--------------------------|
|                        | <u>20 Bond Index</u> |       | <u>7½s of '92</u>               |       | <u>Prior weeks)</u> |       | <u>(In \$ Thousands)</u> |
|                        |                      |       |                                 |       | <u>7½s of '95</u>   |       | <u>(for week ended)</u>  |
| 10/25/79               | 7.38                 | (+20) | 9.19                            | (+58) | 9.02                | (+58) | 895                      |
| 11/01/79               | 7.26                 | (-12) | 8.97                            | (-22) | 8.82                | (-20) | 310                      |
| 11/08/79               | 7.27                 | (+ 1) | 8.86                            | (-11) | 8.70                | (-12) | 1,155                    |
| 11/15/79               | 7.31                 | (+ 4) | 8.76                            | (-20) | 8.57                | (-29) | 2,025                    |
| 11/21/79 <sup>2/</sup> | 7.38                 | (+ 7) | 8.97                            | (+21) | 8.76                | (+21) | 1,170                    |
| 11/29/79               | 7.26                 | (-12) | 8.68                            | (-29) | 8.50                | (-26) | 275                      |
| 12/06/79               | 7.17                 | (- 9) | 8.55                            | (-13) | 8.44                | (- 6) | 1,035                    |
| 12/13/79               | 7.26                 | (+ 9) | 8.83                            | (+28) | 8.70                | (+26) | 560                      |
| 12/20/79               | 7.22                 | (- 4) | 8.76                            | (- 7) | 8.63                | (- 7) | 1,075                    |
| 12/27/79               | 7.23                 | (+ 1) | 8.91                            | (+15) | 8.76                | (+13) | 475                      |
| 01/03/80               | 7.32                 | (+ 9) | 9.05                            | (+14) | 8.96                | (+20) | 2,355                    |
| 01/10/80               | 7.30                 | (- 2) | 9.06                            | (+ 1) | 9.03                | (+ 7) | 2,175                    |
| 01/17/80               | 7.28                 | (- 2) | 9.02                            | (- 4) | 8.90                | (-13) | 65                       |
| TOTAL                  |                      |       |                                 |       |                     |       | 13,570                   |

<sup>1/</sup> Calculated on "bid" side.

<sup>2/</sup> Short week.

02/01/80  
/lsd

MAY 2 - '79

BBA \_\_\_\_\_  
 HAD \_\_\_\_\_  
 LSD \_\_\_\_\_  
 MFF \_\_\_\_\_  
 PGG \_\_\_\_\_  
 LAH \_\_\_\_\_  
 EJK \_\_\_\_\_  
 WJL \_\_\_\_\_  
 FGR \_\_\_\_\_  
 LWS \_\_\_\_\_  
 MCS \_\_\_\_\_  
 SJW \_\_\_\_\_

A.M.  
 P.M.  
 MAIL  
HAND



THE CITY OF NEW YORK  
 OFFICE OF THE MAYOR  
 NEW YORK, N.Y. 10007

April 24, 1979

MARILYN  
 THE INFAMOUS MEMO  
 TO THE MEMO  
 P

PHILIP L. TOIA  
 DEPUTY COMPTROLLER FOR FINANCIAL MANAGEMENT

MEMORANDUM

To : Hon. Edward I. Koch  
 From : Philip L. Toia  
 Subject: Legislation on Notes Held by MAC

The City and MAC signed an agreement on March 30 providing for the payment of the \$1 billion of City notes held by MAC. Under the agreement, roughly \$650 million of the notes will be exchanged for long-term bonds by May 15. The remaining \$350 million of notes cannot be amortized beyond FY 1981 according to the City's bond counsel, unless State legislation is enacted authorizing a longer amortization schedule.

In deciding whether to pursue State legislation for this purpose, the following must be considered:

- (1) If the legislation is not obtained, the \$8.75 real estate tax rate can be maintained for about seven years (through FY 1986).
- (2) If the legislation is obtained, the \$8.75 tax rate can be maintained for about eleven years (through FY 1990).
- (3) The legislation and the amortization of the \$350 million of notes will be controversial, because the City will be taxing real estate above the 2½% limit to pay for Mitchell-Lama notes which have already been refinanced by the sale of Federally-insured mortgages.

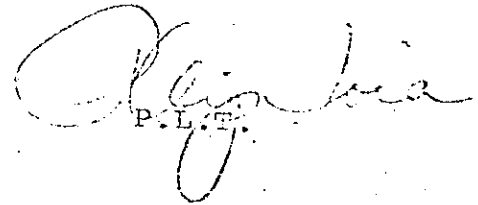
It should be noted that the payment of these \$1 billion of notes and bonds will be made from real estate taxes levied above the 2½% operating limit. To the extent MAC receives these debt service payments from the City a like amount of sales

revenue will be released to the City by MAC. If these debt service payments were not made to MAC, the real estate tax would drop to \$8.35-\$8.50, with a corresponding reduction in expense budget revenue of \$90-\$120 million per annum.

Without the proposed legislation, this budget hit would occur in FY 1987 rather than in FY 1991. Of course, the amount of the projected revenue loss is highly speculative, since the period affected is so far in the future; and continued inflation will substantially decrease the real value of these budget dollars as time passes.

It should be noted that Sid Schwartz wants the \$350 million of unbondable BAN's to be extinguished immediately. This would accelerate the \$90-\$120 million budget hit by one year (to FY 1986). He says that he will not publicly object to a FY 1981 deadline for retiring the unbondable BAN's, but has not checked on Regan's position. All other parties (MAC, Citizens Budget Commission, Jay Goldin) find the FY 1981 deadline acceptable. As for legislation to provide a longer amortization schedule for the BAN's, we can expect opposition from the Citizens Budget Commission and others; Regan's stance -- as yet unknown -- will determine how much serious difficulty such legislation would encounter in Albany.

In view of the potential criticism we will encounter in seeking this legislation, and in view of the speculative nature of the benefits of such legislation in FY 1987-1990, I recommend that we do not pursue it, and proceed to alter the agreement with MAC so that all BAN's are amortized and extinguished in accordance with current law.

  
P.L.E.

MUNICIPAL ASSISTANCE CORPORATION  
Funding Requirements by Certificate Dates

(in \$ millions)  
Fiscal Year 1979\*

|  | FUNDING REQUIRED BY: |                   |                 |                        |
|--|----------------------|-------------------|-----------------|------------------------|
|  | <u>October 12</u>    | <u>January 12</u> | <u>April 12</u> | <u>June 25/June 30</u> |
| <u>Present Debt</u>                                    |                      |                   |                 |                        |
| First <sup>(213)</sup> > 508                           | 75.9                 | 75.9              | 80.5            | 80.5                   |
| Second <sup>(33)</sup>                                 | 49.1                 | 49.1              | 48.4            | 48.4                   |
| Operating <sup>(55)</sup>                              | <u>125.0</u>         | <u>125.0</u>      | <u>129.6</u>    | <u>5.5</u>             |
|  |                      | 125.0             | 48.4            | 86.0                   |
| Implementation of Four Year Plan <sup>+ 60 = 561</sup> | <u>15.0</u>          | <u>15.0</u>       | <u>15.0</u>     | <u>9.0</u>             |
|  | 140.0                | 140.0             | 140.0           | 54.4                   |
|  |                      |                   | 54.4            | 95.0                   |

\* Assumes 'most conservative case' possible implementation of New York City Four-Year Plan and does not show the effects of payments from the City to MAC on BAN Bond and other MAC-held City Bonds.



State of New York  
Municipal Assistance Corporation  
For The City of New York

Two World Trade Center  
New York, N. Y. 10047

Felix G. Rohatyn  
Chairman

Eugene Keilin  
Executive Director

(212) 488-5720

**Board Members**  
Francis J. Barry  
George M. Brooker  
Thomas A. Coleman  
Thomas D. Flynn  
George D. Gould  
Dick Netzer  
Robert C. Weaver

Writer's Direct Wire: (212) 488- 5723

Date: November 16, 1978  
To: Purchasers of Series 11, 12 and 13 Bonds  
From: Andrew Decker, Treasurer *AD*  
Re: Purchase at Closing on November 17th  
of Series 11, 12 and 13 Bonds

Attached are schedules which show the Par Value, Discount, Accrued Interest and Amount to be Tendered for the purchase of Series 11, 12 and 13 Bonds by each purchaser. The amounts indicated in the column titled "Check" are the amounts required to be tendered at closing on November 17, 1978. These amounts apply only for a closing on November 17, 1978. If there are any problems or questions, please contact me at my office as early as possible.

Please note that checks are to be made out to:  
MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Amounts to Purchase Private Placement Bonds

(for closing Friday, November 17, 1978)

Commercial Banks

|                | <u>Par Value<br/>(1,000's)</u> | <u>Discount</u>  | <u>Accrued<br/>Interest</u> | <u>Check</u>      |
|----------------|--------------------------------|------------------|-----------------------------|-------------------|
| Bankers Trust  | \$ 5,220                       | \$ 100,485.00    | \$ 2,428.75                 | \$ 5,121,943.75   |
| Bank of N.Y.   | 2,250                          | 43,312.50        | 1,046.88                    | 2,207,734.38      |
| Chase          | 10,145                         | 195,291.25       | 4,720.24                    | 9,954,428.99      |
| Chemical       | 8,120                          | 156,310.00       | 3,778.06                    | 7,967,468.06      |
| Citibank       | 11,985                         | 230,711.25       | 5,576.35                    | 11,759,865.10     |
| Irving         | 2,410                          | 46,392.50        | 1,121.32                    | 2,364,728.82      |
| Manufacturers  | 7,415                          | 142,738.75       | 3,450.03                    | 7,275,711.28      |
| Marine         | 3,895                          | 74,978.75        | 1,812.26                    | 3,821,833.51      |
| Morgan         | 6,715                          | 129,263.75       | 3,124.34                    | 6,588,860.59      |
| Nat. Bank N.A. | 1,600                          | 30,800.00        | 744.44                      | 1,569,944.44      |
| UST            | <u>620</u>                     | <u>11,935.00</u> | <u>288.47</u>               | <u>608,353.47</u> |
|                | \$60,375                       | \$1,162,218.75   | \$28,091.14                 | \$59,240,872.39   |



Amounts to Purchase Private Placement Bonds

(for closing Friday, November 17, 1978)

Savings Bank

|                         | <u>Par Value</u><br><u>(1,000's)</u> | <u>Discount</u> | <u>Accrued</u><br><u>Interest</u> | <u>Check</u>    |
|-------------------------|--------------------------------------|-----------------|-----------------------------------|-----------------|
| American                | \$ 1,500                             | \$ 28,875.00    | \$ 697.92                         | \$ 1,471,822.92 |
| Anchor                  | 1,500                                | 28,875.00       | 697.92                            | 1,471,822.92    |
| Bowery                  | 9,350                                | 179,987.50      | 4,350.35                          | 9,174,362.85    |
| Brooklyn                | 2,125                                | 40,906.25       | 988.72                            | 2,085,082.47    |
| Central                 | 1,375                                | 26,468.75       | 639.76                            | 1,349,171.01    |
| College Point           | 125                                  | 2,406.25        | 58.16                             | 122,651.91      |
| Dime (N.Y.)             | 5,585                                | 107,511.25      | 2,598.58                          | 5,480,087.33    |
| Dime<br>(Williamsburgh) | 750                                  | 14,437.50       | 348.96                            | 735,911.46      |
| Dollar                  | 4,440                                | 85,470.00       | 2,065.83                          | 4,356,595.83    |
| Dry Dock                | 3,675                                | 70,743.75       | 1,709.90                          | 3,605,966.15    |
| East New York           | 1,500                                | 28,875.00       | 697.92                            | 1,471,822.92    |
| Emigrant                | 5,250                                | 101,062.50      | 2,442.71                          | 5,151,380.21    |
| Empire                  | 1,075                                | 20,693.75       | 500.17                            | 1,054,806.42    |
| Flushing                | 375                                  | 7,218.75        | 174.48                            | 367,955.73      |
| Franklin                | 2,425                                | 46,681.25       | 1,128.30                          | 2,379,447.05    |
| Green Point             | 1,750                                | 33,687.50       | 814.24                            | 1,717,126.74    |
| Greenwich               | 4,375                                | 84,218.75       | 2,035.59                          | 4,292,816.84    |
| Hamburg                 | 250                                  | 4,812.50        | 116.32                            | 245,303.82      |
| Harlem                  | 1,250                                | 24,062.50       | 581.60                            | 1,226,519.10    |

(continued)

Savings Banks  
(continued)

|                          | <u>Par Value</u><br>(1,000's) | <u>Discount</u>  | <u>Accrued</u><br><u>Interest</u> | <u>Check</u>        |
|--------------------------|-------------------------------|------------------|-----------------------------------|---------------------|
| Independence             | \$ 1,185                      | \$ 22,811.25     | \$ 551.35                         | \$ 1,162,740.10     |
| Lincoln                  | 3,150                         | 60,637.50        | 1,465.63                          | 3,090,828.13        |
| Metropolitan             | 1,500                         | 28,875.00        | 697.92                            | 1,471,822.92        |
| N.Y. Bank for<br>Savings | 6,250                         | 120,312.50       | 2,907.99                          | 6,132,595.49        |
| Northfield               | 140                           | 2,695.00         | 65.14                             | 137,370.14          |
| Northside                | 825                           | 15,881.25        | 383.85                            | 809,502.60          |
| Queens County            | 500                           | 9,625.00         | 232.64                            | 490,607.64          |
| Richmond County          | 125                           | 2,406.25         | 58.16                             | 122,651.91          |
| Richmond Hill            | 1,000                         | 19,250.00        | 465.28                            | 981,215.28          |
| Ridgewood                | 1,500                         | 28,875.00        | 697.92                            | 1,471,822.92        |
| Roosevelt                | 900                           | 17,325.00        | 418.75                            | 883,093.75          |
| Seaman's                 | 3,125                         | 60,156.25        | 1,453.99                          | 3,066,297.74        |
| Staten Island            | 500                           | 9,625.00         | 232.64                            | 490,607.64          |
| Union Dime               | 1,750                         | 33,687.50        | 814.24                            | 1,717,126.74        |
| United Mutual            | 625                           | 12,031.25        | 290.80                            | 613,259.55          |
| Williamsburgh            | <u>3,250</u>                  | <u>62,562.50</u> | <u>1,512.15</u>                   | <u>3,188,949.65</u> |
|                          | \$ 75,000                     | \$1,443,750.00   | \$34,895.88                       | \$73,591,145.88     |

Amounts to Purchase Private Placement Bonds

(for closing Friday, November 17, 1978)

Insurance Companies

|                  | <u>Par Value</u><br><u>(1,000's)</u> | <u>Discount</u>       | <u>Accrued</u><br><u>Interest</u> | <u>Check</u>            |
|------------------|--------------------------------------|-----------------------|-----------------------------------|-------------------------|
| Columbian Mutual | \$ 50                                | \$ 962.50             | \$ 23.26                          | \$ 49,060.76            |
| Companion        | 100                                  | 1,925.00              | 43.61                             | 98,118.61               |
| Equitable        | 70,000                               | 1,347,500.00          | 32,206.94                         | 68,684,706.94           |
| Home Life        | 4,000                                | 77,000.00             | 1,877.78                          | 3,924,877.78            |
| Metropolitan     | 110,000                              | 2,117,500.00          | 51,236.12                         | 107,933,736.12          |
| MONY             | 16,000                               | 308,000.00            | 7,416.94                          | 15,699,416.94           |
| N.Y. Life        | 4,000                                | 77,000.00             | 1,861.11                          | 3,924,861.11            |
| Security Mutual  | 100                                  | 1,925.00              | 46.53                             | 98,121.53               |
| Teachers         | -                                    |                       |                                   |                         |
| U.S. Life        | 1,000                                | 19,250.00             | 469.44                            | 981,219.44              |
|                  | <u>\$205,250</u>                     | <u>\$3,951,062.50</u> | <u>\$95,181.73</u>                | <u>\$201,394,119.23</u> |

Amounts to Purchase Private Placement Bonds

(for closing Friday, November 17, 1978)

Pension Funds

|            | <u>Par Value<br/>(1,000's)</u> | <u>Discount</u>   | <u>Accrued<br/>Interest</u> | <u>Check</u>        |
|------------|--------------------------------|-------------------|-----------------------------|---------------------|
| NYCERS     | \$ 29,640                      | \$ 570,570.00     | \$13,790.83                 | \$29,083,220.83*    |
| Teachers   | 19,865                         | 382,401.25        | 9,242.74                    | 19,491,841.49       |
| Bd. of Ed. | 1,090                          | 20,982.50         | 507.15                      | 1,069,524.65        |
| NYC Police | <u>9,780</u>                   | <u>188,265.00</u> | <u>4,550.42</u>             | <u>9,596,285.42</u> |
|            | \$ 60,375                      | \$1,162,218.75    | \$28,091.14                 | \$59,240,872.39     |

\* NYCERS will deliver two checks as follows:

\$27,250,000.00

1,833,220.83  
\$29,083,220.83



Name of Bank:  
Commercial Banks

Bonds should be  
registered as:

Manufacturers Hanover Trust  
Company

Hamilton & Co.  
40 Wall Street  
New York, New York 10015

Attention: Edwin J. Draycott,  
Vice President

Marine Midland Bank

Marine Midland Bank  
140 Broadway  
New York, New York 10015

Attention: Richard C. Keller,  
Senior Vice President  
Money Management Division -  
16th Floor

Morgan Guaranty Trust  
Company of New York

Schmidt & Co. 13-6020796  
c/o Morgan Guaranty Trust Company  
of New York  
P.O. Box 1479, Church Street Station  
New York, New York 10008

Savings Banks

American Savings Bank

American Savings Bank  
335 Broadway  
New York, New York 10013

Attention: Douglas B. Stuart,  
Senior Vice President

Anchor Savings Bank

Anchor Savings Bank  
1 Dag Hammarskjold Plaza  
New York, New York 10017

Attention: E. Bertellotti,  
Investment Officer  
Investment Department

Name of Bank  
Savings Banks

Bonds should be  
registered as:

The Bowery Savings Bank

MORSAVCO  
c/o Morgan Guaranty Trust Company  
of New York  
23 Wall Street  
New York, New York 10005

For the account of: Savings  
Banks Trust Co.

Attention: Custody Department  
Account #185-07-592

For the account of Bowery Savings  
Bank  
By other of Municipal Assistance  
Corporation

② ~~Brooklyn Savings Bank~~

Bearer Bonds

Central Savings Bank

Central Savings Bank  
2100 Broadway  
New York, New York 10023

Attention: George J. Ennis,  
Vice President

College Point Savings Bank

College Point Savings Bank  
211-11 Northern Boulevard

Attention: Raymond W. Carroll,  
Chairman

Dime Savings Bank of  
New York

The Dime Savings Bank of  
New York  
589 5th Avenue  
New York, New York 10017

Attention: Accounting Department

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Dime Savings Bank of  
Williamsburgh

IRECO  
c/o Irving Trust Co.  
1 Wall Street  
New York, New York 10005

For the account of Savings Banks  
Trust Co./Dime Savings Bank of  
Williamsburgh  
Account Number 30

Dollar Savings Bank of  
New York

Jennifer & Company  
c/o Manufacturers Hanover Trust Co.  
40 Wall Street  
New York, New York 10005

Attention: John Chimienti,  
Assistant Secretary

Dry Dock Savings Bank

Kinstat & Co.  
c/o Bankers Trust Co.  
16 Wall Street  
New York, New York 10005

Emigrant Savings Bank

Suydam & Co.  
c/o Manufacturers Hanover Trust Co.  
40 Wall Street  
New York, New York 10005

I.D. # 13-6062542

Empire Savings Bank

Rommel & Company  
c/o Chemical Bank  
55 Water Street  
New York, New York 10015

Attention: Dave Hutton  
Customer Securities



Name of Bank  
Savings Banks

Bonds should be  
registered as:

|                                      |  |
|--------------------------------------|--|
| Flushing Savings Bank                | Flushing Savings Bank<br>144-51 Northern Boulevard<br>Flushing, New York 11354   |
| Franklin Savings Bank<br>of New York | Cee Bee Co.<br>c/o Chemical Bank<br>55 Water Street<br>New York, New York 10015  |
| Green Point Savings Bank             | CHASAVCO<br>c/o The Chase Manhattan Bank, N.A.<br>P.O. Box 1508, Church Street Station<br>New York, New York 10008<br><br>Employer Identification # 13-6695646 |
| Greenwich Savings Bank               | TEGGE & Co.<br>c/o Morgan Guaranty Trust Co.<br>15 Broad Street - 15th Floor<br>New York, New York 10015<br><br>Account Number 28151                           |
| Hamburgh Savings Bank                | CHASAVCO<br>c/o The Chase Manhattan Bank<br>P.O. Box 1508, Church Street Station<br>New York, New York 10008   |
| Harlem Savings Bank                  | CISAVCO<br>c/o Savings Banks Trust Co.<br>200 Park Avenue<br>New York, New York 10017<br><br>Attention: Richard Gunther,<br>Assistant Vice President           |

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Independence Savings Bank

Aker & Company  
P.O. Box 704, Church Street Station  
New York, New York 10015

Lincoln Savings Bank

Bearer: *Suydam & Co.*  
*% Mtn. Trust Co. NYPL 17F1*  
*NY NY 10004*  
Metroco  
c/o Savings Bank Trust Co.  
200 Park Avenue  
New York, New York 10017

Metropolitan Savings Bank

I.D. # 13-6695649

New York Bank of Savings

Tegge & Company  
c/o Morgan Guaranty Trust Company  
of New York  
P.O. Box 1479, Church Street Station  
New York, New York 10008

Northfield Savings Bank

Northfield Savings Bank  
1731 Victory Boulevard  
Staten Island, New York 10314

Attention: Paul E. Proske,  
President

North Side Savings Bank

IRECO  
c/o Irving Trust Company  
Personal Trust Division  
1 Wall Street  
New York, New York 10015

#13-6667578

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Richmond County Savings Bank

Richmond County Savings Bank  
1214 Castleton Avenue  
Staten Island, N.Y.  
Attention: Arthur T. Loehrer,  
Chairman

Richmond Hill Savings Bank

SABATCO #115  
200 Park Avenue  
N.Y., N.Y. 10017  
Attention: Richard Guenther,  
Ass't. Vice President

Ridgewood Savings Bank

Ridgewood Savings Bank  
Myrtle & Forest Avenues  
Ridgewood, N.Y. 11227  
Attention: Joseph C. Volz

Roosevelt ~~County~~ Savings Bank

METROCO  
c/o Manufacturer Hanover Trust Co.  
*40 Wall St.*  
N.Y., N.Y. 10005

Queens County Savings Bank

Auer & Company  
c/o Bankers Trust Co.  
16 Wall Street  
N.Y., N. Y. 10005  
Attention: Richard McCormick,  
Account Administrator

Seaman's Bank for Savings

HARE & COMPANY  
c/o The Bank of New York  
P. O. Box 11203  
N. Y., N.Y. 10249  
Attention: Paul Hennessey,  
Custody Department

Staten Island Savings Bank

C.I. Sav #13-2884822  
20 Exchange Place  
New York, N.Y.

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Union Dime Savings Bank

Union Dime Savings Bank  
c/o Bradford Trust Company  
70 Pine Street (10th Floor)  
N.Y., N.Y.  
Attention: Thomas J. Palma

(4) United Mutual Savings Bank

Bearer Bonds  
6 at 100,000  
1 at 25,000

Williamsburgh Savings Bank

BASAV CO  
16 Wall Street  
N.Y., N.Y. 10015

Insurance  
Companies

Columbian Mutual Life Insurance  
Company

Columbian Mutual Life Insurance  
Company  
One Columbian Plaza  
Binghamton, N.Y. 13902  
Attention: Harry T. Gorman  
Sr. Vice President

(5) Companion Life Insurance  
Company

The Equitable Life Assurance  
Society of the United States

BEARER

*Same*  
*230 Park Ave NY NY 10017*  
*att: Wm. T. Locke, Esq.*  
Eglife-General & Co.  
1285 Avenue of the Americas  
N.Y., N.Y. 10019  
Attention: David F. Hoyt  
Securities Custody Division  
Treasurer's Department

Home Life Insurance Company

Home Life Insurance Company  
253 Broadway  
N.Y., N.Y. 10005  
Attention: Securities Department

Insurance  
Companies

Bonds should be  
registered as:

Metropolitan Life Insurance  
Company

Metropolitan Life Insurance  
Company  
One Madison Avenue  
N.Y., N.Y. 10010  
Attention: Treasurer

Mutual Life Insurance Company  
of New York

Mutual Life Insurance Company  
of New York  
1740 Broadway  
N.Y., N.Y. 10019  
Attention: Securities Custody  
Division

New York Life Insurance Company

New York Life Insurance Company  
51 Madison Avenue  
N.Y., N.Y. 10010  
Attention: Investment Department  
Room 203

Security Mutual Life Insurance  
Company of New York

Security Mutual Life Insurance  
Company of New York  
Court House Square  
Binghamton, N.Y. 13902  
Attention: Investment Department

Teachers Insurance and Annuity  
Association of America

NOT APPLICABLE

United States Life Insurance  
Company in the City of  
New York

Sigler & Co.  
c/o Manufacturers Hanover Trust Co.  
A/C No/ MC44482-08  
N.Y., N.Y. 10005  
Attention: Vincent Donadio

*Youbell H.*

# DAVIS POLK & WARDWELL

1 CHASE MANHATTAN PLAZA  
NEW YORK, N.Y. 10005  
212 HANOVER 2-3400  
TELEX: ITT-421341 WU-126834  
CABLE: STETSON NEW YORK

LAWRENCE E. WALSH  
S. HAZARD GILLESPIE  
TAGGART WHIPPLE  
PETER O. A. SOLBERT  
WALLACE S. JONES  
WILLIAM D. TUCKER, JR.  
C. PAYSON COLEMAN  
PETER A. BATOR  
JOHN P. CARROLL, JR.  
WILLIAM A. KAYNOR  
HENRY L. KING  
RICHARD B. SMITH  
EDWIN DEANE LEONARD  
BRUCE W. NICHOLS  
SAMUEL F. PRYOR, III  
EDWARD S. REID  
PHILIP C. POTTER, JR.  
JOHN I. BROKAW  
JAMES F. DOLAN  
RICHARD E. NOLAN  
JOHN A. CORRY  
RICHARD D. SPIZZIRRI  
ALLAN A. FLYNN  
CHARLES S. HOPPIN  
JOEL J. COHEN  
TROLAND S. LINK

HERBERT M. LOBL  
JOHN J. McATEE, JR.  
JONATHAN M. CLARK  
CHRISTOPHER CROWLEY  
LYDIA E. KESS  
JAMES W. B. BENKARD  
COLIN E. HARLEY  
DANIEL F. KOLB  
DONALDSON C. PILLSBURY  
GUY MILLER STRUVE  
JOSEPH ALSOP CHUBB  
JAMES WOODMAN LLOYD  
BARTLETT H. McGUIRE  
STEPHEN H. CASE  
FRANCIS J. MORISON  
FRANK S. MOSELEY  
JEFFREY SMALL  
ALAN D. GRANQUIST  
JESSE ROBERT LOVEJOY  
DAVID C. OXMAN  
WILLIAM PARSONS, JR.  
CHARLES S. WHITMAN, III  
ARTHUR F. GOLDEN  
STEVEN F. GOLDSTONE  
H. REED WASSON  
DENNIS S. HERSCH

COUNSEL  
D. NELSON ADAMS  
ANDREW Y. ROGERS  
MORTON FEAREY

GEORGE A. BROWNELL  
LEIGHTON H. COLEMAN  
PORTER R. CHANDLER  
CHARLES M. SPOFFORD  
EDWARD R. WARDWELL

9 WEST 57TH STREET, NEW YORK, N.Y. 10019  
TELEPHONE: 212 HANOVER 2-3400  
TELEX: ITT-421341 WU-126834  
CABLE: STETSON NEW YORK

4, PLACE DE LA CONCORDE, 75008 PARIS  
TELEPHONE: 265. 14. 01  
TELEX: 280485  
CABLE: STETSON PARIS  
RESIDENT PARTNER:  
HERBERT M. LOBL

11 COPTHALL AVENUE, LONDON EC2R 7LU  
TELEPHONE: 01-638-9116  
TELEX: 888236  
CABLE: STETSON LON LONDON  
RESIDENT PARTNER:  
JOSEPH ALSOP CHUBB

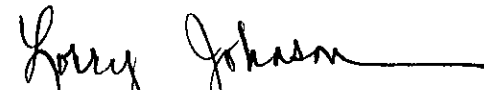
November 10, 1978

Mr. Andrew Decker  
Municipal Assistance Corporation  
2 World Trade Center  
New York, New York  
45th Floor

Dear Mr. Decker:

We enclose herewith a list of the Financial Institutions participating in the MAC Bond Purchase and the title under which the Bonds should be registered. This list was compiled from information received in late September, at which time the closing was scheduled for early October. Therefore, this information should be considered preliminary indications with the understanding that each Institution would receive a temporary bond in the full amount of its purchase and have the right to change these bonds to registered or bearer form of authorized denominations within thirty days after the Closing, at no charge to the Purchaser.

Very truly yours,



Lorry Johnson  
Assistant to  
J. L. Callahan

CC: Thomas Boehlke

Name of Bank:  
Commercial Banks

Bonds should be  
registered as:

Manufacturers Hanover Trust  
Company

Hamilton & Co.  
40 Wall Street  
New York, New York 10015

Attention: Edwin J. Draycott,  
Vice President

Marine Midland Bank

Marine Midland Bank  
140 Broadway  
New York, New York 10015

Attention: Richard C. Keller,  
Senior Vice President  
Money Management Division -  
16th Floor

Morgan Guaranty Trust  
Company of New York

Schmidt & Co. 13-6020796  
c/o Morgan Guaranty Trust Company  
of New York  
P.O. Box 1479, Church Street Station  
New York, New York 10008

Savings Banks

American Savings Bank

American Savings Bank  
335 Broadway  
New York, New York 10013

Attention: Douglas B. Stuart,  
Senior Vice President

Anchor Savings Bank

Anchor Savings Bank  
1 Dag Hammarskjold Plaza  
New York, New York 10017

Attention: E. Bertellotti,  
Investment Officer  
Investment Department

Name of Bank  
Savings Banks

Bonds should be  
registered as:

|                                  |  |
|----------------------------------|--|
| The Bowery Savings Bank          | MORSAVCO<br>c/o Morgan Guaranty Trust Company<br>of New York<br>23 Wall Street<br>New York, New York 10005<br><br>For the account of: Savings<br>Banks Trust Co.<br><br>Attention: Custody Department<br>Account #185-07-592<br><br>For the account of Bowery Savings<br>Bank<br>By other of Municipal Assistance<br>Corporation |
| Brooklyn Savings Bank            | Bearer Bonds   |
| Central Savings Bank             | Central Savings Bank<br>2100 Broadway<br>New York, New York 10023<br><br>Attention: George J. Ennis,<br>Vice President   |
| College Point Savings Bank       | College Point Savings Bank<br>211-11 Northern Boulevard<br><br>Attention: Raymond W. Carroll,<br>Chairman  |
| Dime Savings Bank of<br>New York | The Dime Savings Bank of<br>New York<br>589 5th Avenue<br>New York, New York 10017<br><br>Attention: Accounting Department   |



Name of Bank  
Savings Banks

Bonds should be  
registered as:

Dime Savings Bank of  
Williamsburgh

IRECO  
c/o Irving Trust Co.  
1 Wall Street  
New York, New York 10005

For the account of Savings Banks  
Trust Co./Dime Savings Bank of  
Williamsburgh  
Account Number 30

Dollar Savings Bank of  
New York

Jennifer & Company  
c/o Manufacturers Hanover Trust Co.  
40 Wall Street  
New York, New York 10005

Attention: John Chimienti,  
Assistant Secretary

Dry Dock Savings Bank

Kinstat & Co.  
c/o Bankers Trust Co.  
16 Wall Street  
New York, New York 10005

Emigrant Savings Bank

Suydam & Co.  
c/o Manufacturers Hanover Trust Co.  
40 Wall Street  
New York, New York 10005

I.D. # 13-6062542

Empire Savings Bank

Rommel & Company  
c/o Chemical Bank  
55 Water Street  
New York, New York 10015

Attention: Dave Hutton  
Customer Securities

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Flushing Savings Bank

Flushing Savings Bank  
144-51 Northern Boulevard  
Flushing, New York 11354

Franklin Savings Bank  
of New York

Cee Bee Co.  
c/o Chemical Bank  
55 Water Street  
New York, New York 10015

Green Point Savings Bank

CHASAVCO  
c/o The Chase Manhattan Bank, N.A.  
P.O. Box 1508, Church Street Station  
New York, New York 10008

Employer Identification # 13-6695646

Greenwich Savings Bank

TEGGE & Co.  
c/o Morgan Guaranty Trust Co.  
15 Broad Street - 15th Floor  
New York, New York 10015

Account Number 28151

Hamburgh Savings Bank

CHASAVCO  
c/o The Chase Manhattan Bank  
P.O. Box 1508, Church Street Station  
New York, New York 10008

Harlem Savings Bank

CISAVCO  
c/o Savings Banks Trust Co.  
200 Park Avenue  
New York, New York 10017

Attention: Richard Gunther,  
Assistant Vice President

Name of Bank  
Savings Banks

Bonds should be  
registered as:

|                           |   |
|---------------------------|---|
| Independence Savings Bank | Aner & Company<br>P.O. Box 704, Church Street Station<br>New York, New York 10015   |
| Lincoln Savings Bank      | Bearer  |
| Metropolitan Savings Bank | Metroco<br>c/o Savings Bank Trust Co.<br>200 Park Avenue<br>New York, New York 10017<br><br>I.D. # 13-6695649                           |
| New York Bank of Savings  | Tegge & Company<br>c/o Morgan Guaranty Trust Company<br>of New York<br>P.O. Box 1479, Church Street Station<br>New York, New York 10008 |
| Northfield Savings Bank   | Northfield Savings Bank<br>1731 Victory Boulevard<br>Staten Island, New York 10314<br><br>Attention: Paul E. Proske,<br>President       |
| North Side Savings Bank   | IRECO<br>c/o Irving Trust Company<br>Personal Trust Division<br>1 Wall Street<br>New York, New York 10015<br><br>#13-6667578            |

Name of Bank  
Savings Banks

Bonds should be  
registered as:

|                           |   |
|---------------------------|---|
| Independence Savings Bank | Aner & Company<br>P.O. Box 704, Church Street Station<br>New York, New York 10015   |
| Lincoln Savings Bank      | Bearer  |
| Metropolitan Savings Bank | Metroco<br>c/o Savings Bank Trust Co.<br>200 Park Avenue<br>New York, New York 10017<br><br>I.D. # 13-6695649                           |
| New York Bank of Savings  | Tegge & Company<br>c/o Morgan Guaranty Trust Company<br>of New York<br>P.O. Box 1479, Church Street Station<br>New York, New York 10008 |
| Northfield Savings Bank   | Northfield Savings Bank<br>1731 Victory Boulevard<br>Staten Island, New York 10314<br><br>Attention: Paul E. Proske,<br>President       |
| North Side Savings Bank   | IRECO<br>c/o Irving Trust Company<br>Personal Trust Division<br>1 Wall Street<br>New York, New York 10015<br><br>#13-6667578            |

| <u>Name of Bank</u><br><u>Savings Banks</u> | <u>Bonds should be</u><br><u>registered as:</u>  |
|---|--|
| Richmond County Savings Bank                | Richmond County Savings Bank<br>1214 Castleton Avenue<br>Staten Island, N.Y.<br>Attention: Arthur T. Loehrer,<br>Chairman                |
| Richmond Hill Savings Bank                  | SABATCO #115<br>200 Park Avenue<br>N.Y., N.Y. 10017<br>Attention: Richard Guenther,<br>Ass't. Vice President                             |
| Ridgewood Savings Bank                      | Ridgewood Savings Bank<br>Myrtle & Forest Avenues<br>Ridgewood, N.Y. 11227<br>Attention: Joseph C. Volz                                  |
| Roosevelt County Savings Bank               | METROCO<br>c/o Manufacturer Hanover Trust Co.<br><br>N.Y., N.Y. 10015  |
| Queens County Savings Bank                  | Auer & Company<br>c/o Bankers Trust Co.<br>16 Wall Street<br>N.Y., N. Y. 10005<br>Attention: Richard McCormick,<br>Account Administrator |
| Seaman's Bank for Savings                   | HARE & COMPANY<br>c/o The Bank of New York<br>P. O. Box 11203<br>N. Y., N.Y. 10249<br>Attention: Paul Hennessey,<br>Custody Department   |
| Staten Island Savings Bank                  | C.I. Sav #13-2884822<br>20 Exchange Place<br>New York, N.Y.  |

Name of Bank  
Savings Banks

Bonds should be  
registered as:

Union Dime Savings Bank

Union Dime Savings Bank  
c/o Bradford Trust Company  
70 Pine Street (10th Floor)  
N.Y., N.Y.  
Attention: Thomas J. Palma

United Mutual Savings Bank

Bearer Bonds  
6 at 100,000  
1 at 25,000

Williamsburgh Savings Bank

BASAV CO  
16 Wall Street  
N.Y., N.Y. 10015

Insurance  
Companies

Columbian Mutual Life Insurance  
Company

Columbian Mutual Life Insurance  
Company  
One Columbian Plaza  
Binghamton, N.Y. 13902  
Attention: Harry T. Gorman  
Sr. Vice President

Companion Life Insurance  
Company

BEARER

The Equitable Life Assurance  
Society of the United States

Eglife-General & Co.  
1285 Avenue of the Americas  
N.Y., N.Y. 10019  
Attention: David F. Hoyt  
Securities Custody Division  
Treasurer's Department

Home Life Insurance Company

Home Life Insurance Company  
253 Broadway  
N.Y., N.Y. 10005  
Attention: Securities Department

Insurance  
Companies

Bonds should be  
registered as:

Metropolitan Life Insurance  
Company

Metropolitan Life Insurance  
Company  
One Madison Avenue  
N.Y., N.Y. 10010  
Attention: Treasurer

Mutual Life Insurance Company  
of New York

Mutual Life Insurance Company  
of New York  
1740 Broadway  
N.Y., N.Y. 10019  
Attention: Securities Custody  
Division

New York Life Insurance Company

New York Life Insurance Company  
51 Madison Avenue  
N.Y., N.Y. 10010  
Attention: Investment Department  
Room 203

Security Mutual Life Insurance  
Company of New York

Security Mutual Life Insurance  
Company of New York  
Court House Square  
Binghamton, N.Y. 13902  
Attention: Investment Department

Teachers Insurance and Annuity  
Association of America

NOT APPLICABLE

United States Life Insurance  
Company in the City of  
New York

Sigler & Co.  
c/o Manufacturers Hanover Trust Co.  
A/C No/ MC44482-08  
N.Y., N.Y. 10005  
Attention: Vincent Donadio

MUNICIPAL ASSISTANCE CORPORATION

Series 12

\$60,375,000 Term Bonds due 07/01/98

| <u>PURCHASER</u>  | <u>PRINCIPAL AMOUNT</u>   | <u>MATURITY (July 1)</u> |
|---|---|--------------------------|
| ✓ Board of Education Retirement System For The City of New York | \$ 1,090,000 <sup>10x100,000 R</sup> <sub>1x90,000 R</sub> P.O.S. | 1998                     |
| ✓ New York City Employees' Retirement System                    | 29,640,000 - NC   | 1998                     |
| ✓ New York City Police Pension Fund, Article 2                  | 9,780,000 <sup>9x100,000 R</sup> <sub>1x780,000 R</sub>           | 1998                     |
| ✓ Teachers' Retirement System For The City of New York          | 19,865,000 - <sup>19x1,000,000 R</sup> <sub>+1x865,000 R</sub>    | 1998                     |
| TOTAL   | \$ 60,375,000   |                          |

11/08/78  
SJW

60,375,000 \* 5 = 12,015  
60,375,000 \* 100 = 603

Total Series 12  
 all registered - 41 pieces  
 28 x \$1,000,000  
 10 x \$100,000  
 1 x 865,000  
 1 x 90,000  
 1 x 780,000  
 (29,640,000 = No Change)




Municipal Assistance Corporation  
For The City of New York

MEMORANDUM

Date : November 6, 1978

To : Distribution

From: Andrew Decker 

Re : Everything you wanted to know about the current issue but were afraid to ask.

---

Attached are various schedules that detail the various series about to be issued. The schedules are:

| <u>Schedule</u> | <u>Description</u>  |
|-----------------|---|
| 1               | Series 10 - Public Sale<br>Issue Detail   |
| 2               | Series 10 - Public Sale<br>Debt Service and Funding                                 |
| 3               | Series 11 - Financial Institution<br>Terms, Issue Detail                            |
| 4               | Series 11 - Financial Institution<br>Terms, Debt Service and Funding                |
| 5               | Series 12 - Pension Fund Terms<br>Issue Detail                                      |
| 6               | Series 12 - Pension Fund Terms<br>Debt Service and Funding                          |
| 7               | Series 13 - Insurance Companies<br>Serials, Issue Detail                            |
| 8               | Series 13 - Insurance Companies<br>Serials, Debt Service and Funding                |
| 9               | Debt Service and Funding for<br>Combined Private Placement<br>(Series 11 + 12 + 13) |

Schedule

Description

10

Second Resolution Coverage Table giving effect to issuance of Series 10 through 13; assuming \$1,369 million of sales and stock transfer taxes, adjusted per capita and as follows:

|                     |           |           |
|---------------------|-----------|-----------|
| 1979                | \$359,316 | (1,000's) |
| 1980                | 379,724   |           |
| 1981                | 380,132   |           |
| 1982                | 380,540   |           |
| 1983 and thereafter | 386,048   |           |

and Operating Fund expenses of \$5.5 million.

Series 10

78/11/06 11:14 LIST 1.4

Series 10  
Dated November 1, 1978  
Issued November 30, 1978  
First Coupon January 1, 1979  
Stub 60 days

| Year | Principal<br>(\$1,000) | Rate<br>(%) |
|------|------------------------|-------------|
| 1996 | 13,255                 | 8.5         |
| 1997 | 15,125                 | 8.5         |
| 1998 | 16,880                 | 8.5         |
| 1999 | 26,275                 | 8.5         |
| 2000 | 28,465                 | 8.5         |
| 2001 | 2,300                  | 8.5         |
| 2002 | 2,500                  | 8.5         |
| 2003 | 2,710                  | 8.5         |
| 2004 | 2,945                  | 8.5         |
| 2005 | 3,200                  | 8.5         |
| 2006 | 3,475                  | 8.5         |
| 2007 | 3,770                  | 8.5         |
| 2008 | 4,100                  | 8.5         |

Total 125,000

Average life 21.39 years from dated date.

\$125M PUBLIC SALE (NOV)

---

## Series 10

Debt Service and FundingMunicipal Assistance Corporation  
For the City of New York

| FY    | Principal   | Interest    | Total       | Funding     |
|-------|-------------|-------------|-------------|-------------|
| 1979  |             | 1,770,833   | 1,770,833   | 7,968,750   |
| 1980  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1981  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1982  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1983  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1984  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1985  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1986  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1987  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1988  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1989  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1990  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1991  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1992  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1993  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1994  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1995  |             | 10,625,000  | 10,625,000  | 10,625,000  |
| 1996  |             | 10,625,000  | 10,625,000  | 23,598,331  |
| 1997  | 13,255,000  | 10,061,663  | 23,316,663  | 24,301,919  |
| 1998  | 15,125,000  | 8,855,513   | 23,980,513  | 24,734,000  |
| 1999  | 16,880,000  | 7,495,300   | 24,375,300  | 32,494,556  |
| 2000  | 26,275,000  | 5,661,213   | 31,936,213  | 32,404,644  |
| 2001  | 28,465,000  | 3,334,763   | 31,799,763  | 4,376,125   |
| 2002  | 2,300,000   | 2,027,250   | 4,327,250   | 4,376,375   |
| 2003  | 2,500,000   | 1,823,250   | 4,323,250   | 4,369,413   |
| 2004  | 2,710,000   | 1,601,825   | 4,311,825   | 4,369,069   |
| 2005  | 2,945,000   | 1,361,488   | 4,306,488   | 4,368,325   |
| 2006  | 3,200,000   | 1,100,325   | 4,300,325   | 4,365,481   |
| 2007  | 3,475,000   | 816,638     | 4,291,638   | 4,358,838   |
| 2008  | 3,770,000   | 508,725     | 4,278,725   | 4,361,375   |
| 2009  | 4,100,000   | 174,250     | 4,274,250   |             |
| Total | 125,000,000 | 227,218,033 | 352,218,033 | 350,447,200 |

Series 11

78/11/06 10:25 LIST 1.4

Series 11  
 Dated November 1, 1978  
 Issued November 16, 1978  
 First Coupon January 1, 1979  
 Stub 60 days

| Year | Principal<br>(\$1,000) | Rate<br>(%) |
|------|------------------------|-------------|
| 1985 | 4,755                  | 8.25        |
| 1986 | 6,800                  | 8.25        |
| 1987 | 6,800                  | 8.25        |
| 1988 | 11,585                 | 8.25        |
| 1989 | 11,585                 | 8.25        |
| 1990 | 12,245                 | 8.25        |
| 1991 | 12,245                 | 8.25        |
| 1992 | 12,210                 | 8.25        |
| 1993 | 14,950                 | 8.25        |
| 1994 | 18,385                 | 8.25        |
| 1995 | 21,855                 | 8.25        |
| 1996 | 2,050                  | 8.25        |
| 1997 | 2,010                  | 8.25        |
| 1998 | 2,050                  | 8.25        |

Total 139,525

Average life 13.11 years from dated date.

\$139525 FINANCIAL INSTITUTIONS TERMS

## Series 11

Debt Service and Funding(SER=11)  
78/11/06 10:34Municipal Assistance Corporation  
For the City of New York

| FY    | Principal   | Interest    | Total       | Funding     |
|-------|-------------|-------------|-------------|-------------|
| 1979  |             | 1,918,469   | 1,918,469   | 8,633,109   |
| 1980  |             | 11,510,813  | 11,510,813  | 11,510,813  |
| 1981  |             | 11,510,813  | 11,510,813  | 11,510,813  |
| 1982  |             | 11,510,813  | 11,510,813  | 11,510,813  |
| 1983  |             | 11,510,813  | 11,510,813  | 11,510,813  |
| 1984  |             | 11,510,813  | 11,510,813  | 11,510,813  |
| 1985  |             | 11,510,813  | 11,510,813  | 16,167,741  |
| 1986  | 4,755,000   | 11,314,669  | 16,069,669  | 17,778,275  |
| 1987  | 6,800,000   | 10,838,025  | 17,638,025  | 17,217,275  |
| 1988  | 6,800,000   | 10,277,025  | 17,077,025  | 21,342,585  |
| 1989  | 11,585,000  | 9,518,644   | 21,103,644  | 20,386,822  |
| 1990  | 11,585,000  | 8,562,881   | 20,147,881  | 20,077,447  |
| 1991  | 12,245,000  | 7,579,894   | 19,824,894  | 19,067,234  |
| 1992  | 12,245,000  | 6,569,681   | 18,814,681  | 18,022,744  |
| 1993  | 12,210,000  | 5,560,913   | 17,770,913  | 19,698,906  |
| 1994  | 14,950,000  | 4,440,563   | 19,390,563  | 21,829,685  |
| 1995  | 18,385,000  | 3,065,494   | 21,450,494  | 23,711,353  |
| 1996  | 21,855,000  | 1,405,594   | 23,260,594  | 2,511,794   |
| 1997  | 2,050,000   | 419,513     | 2,469,513   | 2,303,494   |
| 1998  | 2,010,000   | 252,038     | 2,262,038   | 2,176,844   |
| 1999  | 2,050,000   | 84,563      | 2,134,563   |             |
| Total | 139,525,000 | 150,872,838 | 290,397,838 | 288,479,369 |

Series 12

78/11/06 10:25 LIST 1.4

Series 12  
Dated November 1, 1978  
Issued November 16, 1978  
First Coupon January 1, 1979  
Stub 60 days

| Year | Principal<br>(\$1,000) | Rate<br>(%) |
|------|------------------------|-------------|
| 1985 | 2,055                  | 8.25        |
| 1986 | 2,940                  | 8.25        |
| 1987 | 2,940                  | 8.25        |
| 1988 | 5,015                  | 8.25        |
| 1989 | 5,015                  | 8.25        |
| 1990 | 5,300                  | 8.25        |
| 1991 | 5,300                  | 8.25        |
| 1992 | 5,285                  | 8.25        |
| 1993 | 6,470                  | 8.25        |
| 1994 | 7,955                  | 8.25        |
| 1995 | 9,455                  | 8.25        |
| 1996 | 885                    | 8.25        |
| 1997 | 875                    | 8.25        |
| 1998 | 885                    | 8.25        |

Total 60,375

Average life 13.11 years from dated date.

\$60375 PENSION FUND TERMS

---

## Series 12

Debt Service and FundingMunicipal Assistance Corporation  
For the City of New York

| FY    | Principal  | Interest   | Total       | Funding     |
|-------|------------|------------|-------------|-------------|
| 1979  |            | 830,156    | 830,156     | 3,735,703   |
| 1980  |            | 4,980,938  | 4,980,938   | 4,980,938   |
| 1981  |            | 4,980,938  | 4,980,938   | 4,980,938   |
| 1982  |            | 4,980,938  | 4,980,938   | 4,980,938   |
| 1983  |            | 4,980,938  | 4,980,938   | 4,980,938   |
| 1984  |            | 4,980,938  | 4,980,938   | 4,980,938   |
| 1985  |            | 4,980,938  | 4,980,938   | 6,993,553   |
| 1986  | 2,055,000  | 4,896,169  | 6,951,169   | 7,690,763   |
| 1987  | 2,940,000  | 4,690,125  | 7,630,125   | 7,448,213   |
| 1988  | 2,940,000  | 4,447,575  | 7,387,575   | 9,237,866   |
| 1989  | 5,015,000  | 4,119,431  | 9,134,431   | 8,824,128   |
| 1990  | 5,015,000  | 3,705,694  | 8,720,694   | 8,689,513   |
| 1991  | 5,300,000  | 3,280,200  | 8,580,200   | 8,252,263   |
| 1992  | 5,300,000  | 2,842,950  | 8,142,950   | 7,800,322   |
| 1993  | 5,285,000  | 2,406,319  | 7,691,319   | 8,524,869   |
| 1994  | 6,470,000  | 1,921,425  | 8,391,425   | 9,445,466   |
| 1995  | 7,955,000  | 1,326,394  | 9,281,394   | 10,258,241  |
| 1996  | 9,455,000  | 608,231    | 10,063,231  | 1,084,959   |
| 1997  | 885,000    | 181,706    | 1,066,706   | 1,002,153   |
| 1998  | 875,000    | 109,106    | 984,106     | 939,759     |
| 1999  | 885,000    | 36,506     | 921,506     |             |
| Total | 60,375,000 | 65,287,613 | 125,662,613 | 124,832,456 |



Series 13

78/11/06 10:26 LIST 1.4

Series 13  
 Dated November 1, 1978  
 Issued November 16, 1978  
 First Coupon January 1, 1979  
 Stub 60 days

| Year  | Principal<br>(\$1,000) | Rate<br>(%) |
|-------|------------------------|-------------|
| 1985  | 6,850                  | 7.8         |
| 1986  | 9,800                  | 7.9         |
| 1987  | 9,800                  | 8.0         |
| 1988  | 16,700                 | 8.05        |
| 1989  | 16,700                 | 8.1         |
| 1990  | 17,650                 | 8.15        |
| 1991  | 17,650                 | 8.2         |
| 1992  | 17,600                 | 8.25        |
| 1993  | 21,550                 | 8.3         |
| 1994  | 26,500                 | 8.35        |
| 1995  | 31,500                 | 8.4         |
| 1996  | 2,950                  | 8.4         |
| 1997  | 2,900                  | 8.4         |
| 1998  | 2,950                  | 8.4         |
| Total | 201,100                |             |

Average life 13.11 years from dated date.

\$201100 INSURANCE COMPANIES SERIALS

## Series 13

Debt Service and FundingMunicipal Assistance Corporation  
For the City of New York

| FY    | Principal   | Interest    | Total       | Funding     |
|-------|-------------|-------------|-------------|-------------|
| 1979  |             | 2,752,321   | 2,752,321   | 12,385,444  |
| 1980  |             | 16,513,925  | 16,513,925  | 16,513,925  |
| 1981  |             | 16,513,925  | 16,513,925  | 16,513,925  |
| 1982  |             | 16,513,925  | 16,513,925  | 16,513,925  |
| 1983  |             | 16,513,925  | 16,513,925  | 16,513,925  |
| 1984  |             | 16,513,925  | 16,513,925  | 16,513,925  |
| 1985  |             | 16,513,925  | 16,513,925  | 23,230,350  |
| 1986  | 6,850,000   | 16,246,775  | 23,096,775  | 25,586,075  |
| 1987  | 9,800,000   | 15,592,525  | 25,392,525  | 24,809,425  |
| 1988  | 9,800,000   | 14,813,425  | 24,613,425  | 30,785,338  |
| 1989  | 16,700,000  | 13,749,250  | 30,449,250  | 29,438,900  |
| 1990  | 16,700,000  | 12,400,725  | 29,100,725  | 29,014,756  |
| 1991  | 17,650,000  | 11,005,138  | 28,655,138  | 27,574,075  |
| 1992  | 17,650,000  | 9,562,250   | 27,212,250  | 26,075,600  |
| 1993  | 17,600,000  | 8,112,600   | 25,712,600  | 28,489,438  |
| 1994  | 21,550,000  | 6,492,275   | 28,042,275  | 31,544,763  |
| 1995  | 26,500,000  | 4,491,575   | 30,991,575  | 34,223,700  |
| 1996  | 31,500,000  | 2,062,200   | 33,562,200  | 3,627,250   |
| 1997  | 2,950,000   | 615,300     | 3,565,300   | 3,330,500   |
| 1998  | 2,900,000   | 369,600     | 3,269,600   | 3,135,850   |
| 1999  | 2,950,000   | 123,900     | 3,073,900   |             |
| Total | 201,100,000 | 217,473,408 | 418,573,408 | 415,821,088 |

## Series 11 - 13

Debt Service and FundingMunicipal Assistance Corporation  
For the City of New York

| FY    | Principal   | Interest    | Total       | Funding     |
|-------|-------------|-------------|-------------|-------------|
| 1979  |             | 5,500,946   | 5,500,946   | 24,754,257  |
| 1980  |             | 33,005,676  | 33,005,676  | 33,005,676  |
| 1981  |             | 33,005,676  | 33,005,676  | 33,005,676  |
| 1982  |             | 33,005,676  | 33,005,676  | 33,005,676  |
| 1983  |             | 33,005,676  | 33,005,676  | 33,005,676  |
| 1984  |             | 33,005,676  | 33,005,676  | 33,005,676  |
| 1985  |             | 33,005,676  | 33,005,676  | 46,391,645  |
| 1986  | 13,660,000  | 32,457,613  | 46,117,613  | 51,055,114  |
| 1987  | 19,540,000  | 31,120,675  | 50,660,675  | 49,474,913  |
| 1988  | 19,540,000  | 29,538,025  | 49,078,025  | 61,365,789  |
| 1989  | 33,300,000  | 27,387,325  | 60,687,325  | 58,649,850  |
| 1990  | 33,300,000  | 24,669,300  | 57,969,300  | 57,781,716  |
| 1991  | 35,195,000  | 21,865,231  | 57,060,231  | 54,893,573  |
| 1992  | 35,195,000  | 18,974,881  | 54,169,881  | 51,898,666  |
| 1993  | 35,095,000  | 16,079,831  | 51,174,831  | 56,713,214  |
| 1994  | 42,970,000  | 12,854,262  | 55,824,262  | 62,819,914  |
| 1995  | 52,840,000  | 8,883,462   | 61,723,462  | 68,193,295  |
| 1996  | 62,810,000  | 4,076,025   | 66,886,025  | 7,224,004   |
| 1997  | 5,885,000   | 1,216,519   | 7,101,519   | 6,636,148   |
| 1998  | 5,785,000   | 730,744     | 6,515,744   | 6,252,452   |
| 1999  | 5,885,000   | 244,969     | 6,129,969   |             |
| Total | 401,000,000 | 433,633,864 | 834,633,864 | 829,132,930 |

Municipal Assistance Corporation  
For the City of New York

SCHEDULE X

Second General Bond Resolution Coverage Table

| FY    | First Res.    | Principal     | Interest      | Total         | All Rev. | Per Cap. |
|-------|---------------|---------------|---------------|---------------|----------|----------|
| 1979  | 303,444,000   | 33,745,000    | 168,500,517   | 202,245,517   | 6.74     | 1.78     |
| 1980  | 321,869,100   | 36,555,000    | 202,047,414   | 238,602,414   | 5.71     | 1.59     |
| 1981  | 307,624,100   | 65,645,000    | 198,024,539   | 263,669,539   | 5.17     | 1.44     |
| 1982  | 298,542,000   | 70,150,000    | 192,725,989   | 262,875,989   | 5.19     | 1.45     |
| 1983  | 376,587,300   | 85,815,000    | 186,627,014   | 272,442,014   | 5.00     | 1.42     |
| 1984  | 376,125,100   | 116,485,000   | 178,454,676   | 294,939,676   | 4.62     | 1.31     |
| 1985  | 329,350,800   | 126,380,000   | 168,420,088   | 294,800,088   | 4.63     | 1.31     |
| 1986  | 377,973,800   | 149,670,000   | 157,019,400   | 306,689,400   | 4.45     | 1.26     |
| 1987  | 371,200,300   | 168,055,000   | 143,906,231   | 311,961,231   | 4.37     | 1.24     |
| 1988  | 373,314,700   | 183,475,000   | 129,570,994   | 313,045,994   | 4.36     | 1.23     |
| 1989  | 377,250,700   | 208,250,000   | 113,751,838   | 322,001,838   | 4.23     | 1.20     |
| 1990  | 375,082,800   | 220,120,000   | 96,414,707    | 316,534,707   | 4.31     | 1.22     |
| 1991  | 373,165,200   | 234,020,000   | 77,994,869    | 312,014,869   | 4.37     | 1.24     |
| 1992  | 373,154,700   | 252,585,000   | 58,231,344    | 310,816,344   | 4.39     | 1.24     |
| 1993  | 365,531,500   | 281,590,000   | 36,613,719    | 318,203,719   | 4.28     | 1.21     |
| 1994  | 365,471,400   | 42,970,000    | 23,479,262    | 66,449,262    | 20.52    | 5.81     |
| 1995  | 356,763,400   | 52,840,000    | 19,508,462    | 72,348,462    | 18.85    | 5.34     |
| 1996  |               |               | 62,810,000    | 77,511,025    | 17.59    | 4.98     |
| 1997  |               |               | 19,140,000    | 30,418,182    | 44.83    | 12.69    |
| 1998  |               |               | 20,910,000    | 30,496,257    | 44.71    | 12.66    |
| 1999  |               |               | 22,765,000    | 30,505,269    | 44.70    | 12.66    |
| 2000  |               |               | 26,275,000    | 31,936,213    | 42.69    | 12.09    |
| 2001  |               | 28,465,000    | 3,334,763     | 31,799,763    | 42.88    | 12.14    |
| 2002  |               | 2,300,000     | 2,027,250     | 4,327,250     | 315.10   | 89.21    |
| 2003  |               | 2,500,000     | 1,823,250     | 4,323,250     | 315.39   | 89.30    |
| 2004  |               | 2,710,000     | 1,601,825     | 4,311,825     | 316.22   | 89.53    |
| 2005  |               | 2,945,000     | 1,361,488     | 4,306,488     | 316.62   | 89.64    |
| 2006  |               | 3,200,000     | 1,100,326     | 4,300,326     | 317.07   | 89.77    |
| 2007  |               | 3,475,000     | 816,638       | 4,291,638     | 317.71   | 89.95    |
| 2008  |               | 3,770,000     | 508,725       | 4,278,725     | 318.67   | 90.23    |
| 2009  |               | 4,100,000     | 174,250       | 4,274,250     | 319.00   | 90.32    |
| Total | 6,022,450,796 | 2,533,715,000 | 2,213,006,524 | 4,746,721,524 |          |          |

Added  
4 yr FP - Drafts

DISCUSSION DRAFT - August 15, 1978  
Not intended to be complete  
or final  
[Marked to show changes from  
July 19, 1978 draft]

SUMMARY OF TERMS  
FOR  
PURCHASE OF MAC SECOND RESOLUTION BONDS  
BY CERTAIN FINANCIAL INSTITUTIONS

Issuer: Municipal Assistance Corporation for the City of New York ("MAC")

Obligations: MAC bonds (the "Bonds") issued under the Second General Bond Resolution and new series resolutions (the "Resolutions")

Security: The Bonds will be secured by (a) the Resolutions and the Revenues pledged thereunder and (b) a covenant of the State (the "State Covenant") authorized by § 10-a of the Financial Emergency Act for the City of New York, as amended May 26, 1978 and as further amended \_\_\_\_\_, 1978 (the "EFCB Act")

Commitment Period: September 15, 1978 - December 31, 1981, subject to closing conditions; same commitment period for pension funds committed to purchase MAC bonds (see condition 4 on page 5)

Purchase Price: At par

Coupon Rates: 8.25% for term Bonds to be purchased in September, 1978 (subject to final approval by the Purchasers); to be determined by formula for later closings; serial bonds to be at a range of rates averaging the rate for term Bonds

Certificate Form and Denomination: Bearer or registered, as Purchaser elects. Coupon Bonds in denominations of \$5,000, \$100,000, and unlimited, registered Bonds in multiples of \$5,000 (with right to break down)

Purchasers:

Aggregate of \$625 million principal amount of Bonds will be subject to commitments to purchase by New York Clearing House banks, \$300 million by certain New York savings banks and \$250 million by certain New York insurance companies^

^ City pension funds will simultaneously be making commitments, by separate agreement, to purchase \$625 million of same MAC bonds.^

Amounts, Maturities and Closing Dates:

1. The various Purchasers will severally (and not jointly) agree to purchase Bonds having maturities of approximately 19.5 years from date of issuance (Bonds will mature on July 1 of 1998 through 2001 with an average life of no more than 14.5 years).
2. Bonds will be term bonds with mandatory sinking fund; there will also be serial bonds. There will be a separate series for each closing and additional series for serial bonds
3. The amounts of the commitments of each Purchaser and each pension fund committed to purchase MAC bonds shall be stated on an annual and non-cumulative basis
4. MAC shall give 30 days' notice of each closing date; on five days' notice MAC may adjourn the closing for up to 30 days from original closing date; in the case of a default by one or more Purchasers or pension funds committed to purchase MAC bonds, MAC may adjourn the closing for up to 60 days from the original closing date. The Purchasers and the pension funds committed to purchase MAC bonds shall participate in each closing in proportion to their commitments for the fiscal year in

which the closing is held. Each notice shall be irrevocable, with each Purchaser's commitment to purchase the Bonds specified in the notice terminating if delivery is not made on the closing date (as it may be adjourned) and such Purchaser has not defaulted. At the beginning of each fiscal year MAC shall deliver a schedule of anticipated closing dates during the year which is consistent with the financial plan approved by the EFCB

Optional Call Provisions:

(a) Ten year call protection (must by statute be callable after eleven years); (b) call premium of 2.5% in eleventh year reducing .5% per year to par in sixteenth year; (c) callable in whole or in part for any reason

Mandatory Call Provisions:

If (a) the State shall take any action in violation of the State Covenant as written on the Bonds and such action shall not be repealed within 3 months, (b) there shall be an unappealable determination by any court having jurisdiction that any material provision of the EFCB Act (other than Section 10-a) is invalid or unenforceable or (c) the Federal Government shall accelerate any City securities it has guaranteed and paid, then MAC shall redeem the Bonds at principal plus accrued interest

Debt Restrictions:

Debt covenants to be in Series Resolutions, in addition to those presently included in First and Second Resolutions

- a. Debt covenants identical to those in Series 8 and 9 Resolutions for the life of the Bonds

b. MAC shall not issue any bonds if, after giving effect thereto, its total outstanding bonded indebtedness will exceed \$8.8 billion, and shall not issue any bonds except under its existing First and Second Resolutions; issuance of additional First Resolution bonds permitted only up to \$3.750 billion, minus First Resolution bonds heretofore issued other than refunding bonds heretofore issued, and no First Resolution bonds can be renewed, refunded, or extended beyond their original maturity date; issuance of Second Resolution bonds permitted only up to \$5.050 billion minus Second Resolution bonds heretofore issued other than refunding bonds

c. MAC shall not issue any notes unless (i) they are payable only from revenues that would go to the City after full service of First and Second Resolution bonds that are outstanding or are contemplated to be outstanding at the maturity of such notes, (ii) there is an appropriate additional coverage margin for such subordinated notes (based upon the Second Resolution coverage test), (iii) there can be no rollover of MAC notes, and (iv) the proceeds from sale of such notes can be used only for bona fide seasonal financing needs of the City

Conditions to Execution of Bond Purchase Agreement:

Prior to execution of a Bond Purchase Agreement among the Purchasers and MAC (the "Bond Purchase Agreement"):

1. MAC shall deliver to each Purchaser, on the second business day before the execution of the Bond



Purchase Agreement, an Official Statement, which shall include material information concerning the City and the State relevant to MAC or the Bonds, (as from time to time amended or supplemented, the "Official Statement"), and the Purchasers shall receive, on the date of execution of the Bond Purchase Agreement, opinions of MAC Corporate Counsel, Bond Counsel, and special counsel for the Purchasers to the effect that, based on the participation of such counsel in the preparation of the Official Statement, but without independent verification, nothing has come to their attention which would cause them to believe that such Official Statement contains any material misstatements or omissions

2. Enactment of legislation appropriating the full amount of Federal guarantees of City or MAC securities on a one-time basis
3. The pension funds shall have purchased the remaining \$118 million of City bonds (unguaranteed) pursuant to the 1975 Amended and Restated Agreement
4. Satisfactory commitments of the pension funds to purchase bonds in amounts and maturities consistent with the City's Four-Year Financial Plan for FY1979-1982 shall have been obtained
  - a. State pension funds to commit to purchase \$375 million of guaranteed City bonds, and City pension funds to commit to purchase \$375 million of guaranteed City bonds and \$625 million of MAC Second Resolution bonds
  - b. MAC bonds purchased by the City pension funds shall not be guaran-

teed and shall be issued under the Second Resolution with rates, maturities and other features no more favorable to the funds than those of the Bonds are at the Purchasers

5. Satisfactory commitments sufficient to meet the City's seasonal requirements for FY1979 shall have been obtained
6. The EFCB Act shall have been reenacted in amended form after a "home rule message" has been delivered and shall have become effective. The amendments to the existing EFCB Act shall (a) define "emergency period" to provide that such period cannot terminate until (in addition to the present provisions) the City has market access for its seasonal and long-term financing requirements for the immediately preceding, the current and the coming fiscal year, (b) respond to requirements of the Federal guarantee legislation, and (c) make certain technical amendments
  7. (a) The Coalition Economic Agreement between the City and the several labor unions which are signatories thereto shall have been approved by the EFCB as consistent with the current Four-Year Financial Plan and, except as set forth in a schedule to be delivered to the Purchasers, all major City labor contracts which will be applicable to FY1979 and FY1980 are either subject to the Coalition Economic Agreement or have been approved by the EFCB as consistent with the Financial Plan

(b) The schedule referred to in (a) above shall be satisfactory to the Purchasers

(c) Union ratification of all City labor agreements to be effective for FY1979 and FY1980 shall have become effective or shall be reasonably assured

8. The EFCB shall have approved a financial plan which (a) with respect to the City and the Board of Education, covers FY1979 through FY1982 and is consistent with applicable provisions of Section 8 of the EFCB Act and (b) with respect to all other covered organizations, covers FY1979 and is consistent with applicable provisions of Section 8 of the EFCB Act

9. The Purchasers shall have received a copy of a satisfactory Federal Guarantee Agreement in execution form (the "Federal Guarantee Agreement") implementing Federal guarantee legislation

Special Conditions to Initial Purchase:

1. The Federal Guarantee Agreement shall have been executed and the first takedown of guaranteed bonds shall have occurred prior to or simultaneously with the initial purchase of the Bonds

2. Execution of an Adherence Agreement by the City to and for the benefit of the Purchasers (the "Adherence Agreement") in the form attached as an exhibit to the Bond Purchase Agreement in which the City shall agree that it will:

a. Comply with the provisions of the EFCB Act as it may from time to time be amended

- b. Not issue any short-term debt in violation of the limitations set forth in Section 9-b of the EFCB Act as in effect on the date of the Bond Purchase Agreement

[see Representations and Warranties of the City in the Adherence Agreement set forth below.]

Conditions to Each Purchase:

A. Financing Requirements Satisfied

1. At least 90% in aggregate principal amount of the Bonds scheduled to be purchased by the Purchasers at each closing, and at least 90% in aggregate principal amount of MAC bonds scheduled to be purchased by the pension funds at such closing, shall be purchased simultaneously; in addition, at least 90% in aggregate principal amount of the Bonds and MAC bonds scheduled to have been purchased by the Purchasers and the pension funds, respectively, prior to such closing shall have been purchased
2. Pension funds shall have purchased all guaranteed securities scheduled on or prior to the purchase of the Bonds, and commitments for the balance shall be in full force and effect; the schedule for FY1979 and FY1980 shall call for the purchase of all guaranteed securities to be purchased during such year simultaneously or before the first closing in such year under the Bond Purchase Agreement

3. a. Financial plans shall provide details of each expected borrowing in upcoming fiscal year specifying issuer (City or MAC), principal amount, type of securities, month of issuance, type of transaction (public offering or private placement) and type of purchasers (public, financial institutions or pension funds)
  - b. EFCB shall certify on each closing date that MAC and City securities were sold in the prior fiscal year as contemplated in the related financial plan and that amounts and types of sales satisfied the City's seasonal and long-term borrowing requirements in the prior fiscal year and are consistent with an expectation that (i) the City's total borrowing requirements through FY1982 will be satisfied and (ii) the City's total borrowing requirements after FY1982 will be satisfied in the public securities market
4. EFCB shall certify as of the closing date that there is a reasonable assurance that the City's seasonal financing needs for the then current fiscal year will be met in full; provided, however, that if the New York Clearing House bank Purchasers have not entered into a seasonal financing agreement for such fiscal year, the EFCB may deduct from such needs, solely for the purposes of this certification, the lesser of the amount, if any, of City notes purchased by such Purchasers (other than in a public offering) in the prior fiscal year or the proportion of the City's seasonal financing needs met through any such purchases in the prior fiscal year

B. No Material Adverse  
Changes in  
Circumstances

1. The Bond Purchase Agreement, Adherence Agreement, financing commitments of pension funds with respect to MAC bonds and guaranteed securities, Federal guarantee legislation, Federal Guarantee Agreement, EFCB Act, State Covenant and the Municipal Assistance Corporation for the City of New York Act as amended May 26, 1978 (the "MAC Act"), shall be in full force and effect
  - a. No material modification of such agreements and legislation shall have been made since the date of the Bond Purchase Agreement
  - b. No adverse decision shall have been rendered by any court with respect to the powers of EFCB or the provisions of the EFCB or the MAC Act, the validity or enforceability of the Bonds, the Resolutions, the Bond Purchase Agreement, the financing commitments of pension funds, the Adherence Agreement or the State Covenant
  
2. There shall not be any pending or (to the knowledge of MAC) overtly threatened litigation (i) wherein an adverse decision might (a) materially impair the powers or duties of the EFCB or (b) adversely affect the payment provisions for the Bonds or (ii) which questions the validity or enforceability of the Bonds, the Resolutions, the Adherence Agreement, the MAC Act, the EFCB Act or the State Covenant (except for pending or overtly threatened litigation (A) as described on a schedule attached to the Bond Purchase Agreement or (B) which, in the opinion of Bond Counsel, Corporate Counsel to MAC or other counsel satisfactory to the Purchasers, is without merit)

3. There shall not have been any adverse change in MAC's financial condition or affairs which materially adversely affects the prospects for payment of the principal of or interest on the Bonds when due [assuming the interest rate formula has a current market price floor]. There shall not have been specified adverse changes in the case of the City as follows:
- a. A projected budget deficit of 2% or more of gross revenues for current fiscal year
  - b. Audited budget deficit in any fiscal year beginning with FY1978 of 2% or more of gross revenues (un-audited results to be used in this regard until 120 days after the end of the last preceding fiscal year)
  - c. The City's total seasonal borrowing needs, actual and projected, for the current fiscal year shall not exceed 8% of estimated gross revenues
  - d. The year-end deficits referred to in a. and b. above shall be as computed in accordance with generally accepted accounting principles, as modified under Section 8.2-a of the EFCB Act, and shall not include expense items permitted to be included in the City's capital budget or pension costs permitted to be expensed on a cash rather than accrual basis
  - e. EFCB shall certify as to a. based upon procedures comparable to those required for a financial plan modification (including certifications by the Mayor and the EFCB) carried out within 10 business days of closing

f. Gross revenues for purposes of a., b. and c. shall not include proceeds from the sale of securities

g. Other

4. No default by MAC on any debt obligation or under First or Second General Bond Resolutions or Series Resolutions; no default by the City on any debt obligation or under the Adherence Agreement; no default by the State on any debt obligation; no default in payment of any debt obligations of a City or State moral obligation agency at maturity or otherwise; no default under any agreement with other parties making investment in MAC or the City as part of the City's Four-Year Financial Plan; no bankruptcy or insolvency proceedings or moratorium or similar event with regard to MAC or the City
5. The City shall be in substantial compliance with the provisions of the EFCB Act, and the EFCB shall certify that (a) it has approved a financial plan covering the four years beginning with the fiscal year of the closing which is consistent with the applicable requirements of the EFCB Act, (b) in the judgment of the EFCB, the City is in substantial compliance with all outstanding EFCB orders, (c) the EFCB is not aware of any substantial non-compliance with the EFCB Act by the City, (d) the areas of non-compliance referred to in (b) and (c), if any (which shall be described in such certificate), do not in the aggregate reflect a material impairment in the City's ability to carry out the financial plan and (e) the City has made substantial progress in achieving



a balanced expense budget or has achieved a balanced expense budget, as the case may be, consistent with the requirements of the EFCB Act as presently in effect

6. The Bonds to be purchased shall be rated no less than Baa and BBB by Moody's and by Standard & Poor's, respectively, and shall be legal investments (excluding baskets and leeways) for commercial banks, insurance companies and savings banks

C. Other Conditions

1. MAC shall have delivered to each Purchaser at least two business days prior to each closing an amendment or supplement to the Official Statement and appropriate certifications to the effect that such Official Statement, as so amended or supplemented, does not contain any material misstatements or omissions
2. Representations and warranties in Bond Purchase Agreement and Adherence Agreement are correct on closing date as if made on and as of such date
3. Closing documentation substantially comparable to that delivered in connection with previous MAC closings (modified to reflect new legislation), including appropriate certifications as to satisfaction of conditions, the EFCB Act, the State Covenant, the provisions of the Bond Purchase Agreement and the Adherence Agreement and other opinions, certificates and documentation reasonably requested by the Purchasers
4. Opinions of counsel
  - a. Bond Counsel (as to matters covered in previous MAC financings, tax exemption, the validity of the EFCB Act and the powers of the EFCB

thereunder and the validity and enforceability of the Bonds, the Bond Purchase Agreement, the Adherence Agreement and the State Covenant and related matters)

- b. MAC Corporate Counsel (as to matters covered in previous MAC financings as well as the validity and enforceability of the Bonds and the Bond Purchase Agreement and related matters)
- c. State Attorney General (as to matters covered in previous MAC financings, validity of the EFCB Act and the powers of the EFCB thereunder, the validity and enforceability of the Bonds, the Bond Purchase Agreement and the State Covenant and related matters)
- d. City Corporation Counsel (as to validity and enforceability of Adherence Agreement)
- e. Special Counsel for the Purchasers

5. Executed Bonds, incorporating the State Covenant

6. No closing condition with respect to waiver of federal priority. It is understood that any agreement for the purchase of City notes in FY 1979 and any annual agreement for purchases thereafter will have as a condition that federal priority be waived with respect to City notes

Covenants and  
Agreements in  
Bond Purchase  
Agreement:

7. Closing conditions for sale of guaranteed securities to be added to the extent appropriate
1. MAC shall include in its annual and quarterly reports all information material to prospective investors
2. MAC shall promptly deliver to each Purchaser and make publicly available (a) audited annual and unaudited quarterly financial statements, including quarterly reports of sales and stock transfer tax receipts, annual reports of per capita State aid receipts and annual reports showing projection of sales and stock transfer tax and per capita State aid receipts for the coming year, and (b) such financial or other information as any Purchaser shall reasonably request
3. If at any time the total long-term financing requirements for the City for the four fiscal years 1979-1982, as set forth in the financial plan then in effect, are reduced to less than \$4.5 billion, or public sales of MAC or City securities are made in excess of the amounts anticipated in such financial plan, the total commitments of the Purchasers and the pension funds (including guaranteed bonds) shall be proportionately reduced and the resulting amount of reduction applied pro rata to any remaining commitments of the Purchasers and the pension funds
4. MAC shall not issue any bonds during the Commitment Period having a maturity or average life less than that of the Bonds

5. Other

Events of Default:

Existing events of default in Second Resolution

Remedies:

As provided in the Second Resolution

Waivers and Consents by Bondholders:

1. As provided in the Second Resolution, except that specified covenants and agreements (but not closing conditions) in the Bond Purchase Agreement and the covenants in the Adherence Agreement may be waived or modified by Purchasers owning or committed to purchase at the date of determination 75% in aggregate principal amount of the Bonds owned by the Purchasers or subject to purchase commitments
2. Specified covenants in the Bond Purchase Agreement and covenants in the Adherence Agreement will terminate if and when the Purchasers own or are committed to purchase less than 10% in aggregate principal amount of the Bonds purchased or subject to purchase commitments

Representations and Warranties:

1. Representations and warranties comparable to those in MAC underwriting agreements
2. Authority for, and validity and enforceability of, the Bonds and the Bond Purchase Agreement
3. Validity and enforceability of State covenant
4. Official Statement, including financial statements of MAC
5. Use of proceeds
  - a. No arbitrage violation
  - b. No violation of Regulations G and U
6. No sovereign immunity
  - a. of MAC with respect to Bonds and Bond Purchase Agreement

b. of State with regard to State  
Covenant

7. Representations and warranties of the City in the Adherence Agreement
- a. Authorization, execution, delivery, validity and enforceability of the Adherence Agreement
  - b. Adherence Agreement does not conflict with laws, regulations, orders, agreements or instruments binding on the City
  - c. No governmental approvals, etc., required for the Adherence Agreement
  - d. No litigation pending or threatened which might adversely affect the payment provisions of the Bonds or which questions the validity or enforceability of the Adherence Agreement
  - e. No sovereign immunity with respect to the Adherence Agreement

Resale:

No Bonds purchased at the time of a public offering of MAC II bonds may be sold for a period of 30 days after such public offering commences, or such shorter period agreed to in connection with such public offering

Expenses of Transaction:

Whether or not the Bond Purchase Agreement is executed or any closing thereunder takes place, MAC shall pay (a) all of its costs and expenses in connection with the preparation, authorization, execution, delivery and performance of the Bond Purchase Agreement, the Bonds, the Resolutions, the Adherence Agreement, the Official Statement (including any amendments or supplements thereto) and related documents (including printing costs and the fees and disbursements of

its Bond Counsel and Corporation Counsel), (b) the fees and disbursements of special counsel for the Purchasers, (c) rating agency fees and (d) MSRB fees. The City shall pay the fees and expenses of its Bond Counsel with regard to the Adherence Agreement. Expense arrangements should be covered in preliminary letter from MAC

Federal Enforcement:

All parties to the Bond Purchase Agreement and the agreements providing for the purchase of MAC bonds and guaranteed securities by the pension funds shall acknowledge that they are subject to the enforcement provisions of Section 105(f) of the Federal guarantee legislation

1/28/78

COMPARISON OF YIELD TO MATURITY  
Between MAC Series EE and MAC Series 8  
and The Bond Buyer 20-Bond Index

| <u>Date</u><br>(77-78) | <u>Bond Buyer</u><br><u>20-Bond Index</u><br>(%) | <u>MAC</u><br><u>Series EE</u> <sup>1.</sup><br>(%) | <u>Basis</u><br><u>Point Spread</u> | <u>MAC</u><br><u>Series 8</u> <sup>1.</sup><br>(%) | <u>Basis</u><br><u>Point Spr</u> |
|------------------------|--|---|-------------------------------------|--|----------------------------------|
| 6/16                   | 5.55   | 7.52  | 197                                 |  |                                  |
| 6/23                   | 5.61   | 7.55  | 194                                 |  |                                  |
| 6/30                   | 5.56   | 7.60  | 204                                 |  |                                  |
| 7/7                    | 5.63   | 7.68  | 205                                 |  |                                  |
| 7/15                   | 5.64   | 7.70  | 206                                 |  |                                  |
| 7/21                   | 5.62   | 7.70  | 208                                 |  |                                  |
| 7/28                   | 5.62   | 7.68  | 206                                 |  |                                  |
| 8/4                    | 5.63   | 7.60  | 197                                 |  |                                  |
| 8/11                   | 5.63   | 7.46  | 183                                 |  |                                  |
| 8/18                   | 5.63   | 7.53  | 190                                 |  |                                  |
| 8/25                   | 5.58   | 7.49  | 191                                 |  |                                  |
| 9/1                    | 5.54   | 7.50  | 196                                 | 7.58   | 204                              |
| 9/8                    | 5.48   | 7.49  | 201                                 | 7.56   | 208                              |
| 9/15                   | 5.51   | 7.53  | 202                                 | 7.56   | 205                              |
| 9/22                   | 5.50   | 7.51  | 201                                 | 7.65   | 215                              |
| 9/29                   | 5.51   | 7.55  | 204                                 | 7.70   | 219                              |
| 10/6                   | 5.60   | 7.93  | 233                                 | 8.01   | 241                              |
| 10/13                  | 5.70   | 7.93  | 223                                 | 8.12   | 242                              |
| 10/20                  | 5.67   | 8.06  | 239                                 | 8.21   | 254                              |
| 10/27                  | 5.61   | 8.09  | 248                                 | 8.27   | 266                              |
| 11/3                   | 5.59   | 8.15  | 256                                 | 8.37   | 278                              |
| 11/10                  | 5.51   | 8.15  | 264                                 | 8.34   | 283                              |
| 11/17                  | 5.45   | 8.21  | 276                                 | 8.40   | 295                              |
| 11/25                  | 5.45   | 8.15  | 270                                 | 8.40   | 295                              |
| 12/1                   | 5.47   | 8.15  | 268                                 | 8.43   | 296                              |
| 12/8                   | 5.54   | 8.20  | 266                                 | 8.43   | 289                              |
| 12/15                  | 5.55   | 8.51  | 296                                 | 8.86   | 331                              |
| 12/22                  | 5.62   | 8.69  | 307                                 | 9.03   | 341                              |
| 12/29                  | 5.66   | 8.81  | 315                                 | 9.07   | 341                              |
| 1/5                    | 5.64   | 9.07  | 343                                 | 9.35   | 371                              |
| 1/12                   | 5.75   | 9.27  | 352                                 | 9.56   | 381                              |
| 1/19                   | 5.74   | 8.63  | 289                                 | 9.07   | 333                              |
| 1/26                   | 5.70   | 8.85  | 315                                 | 9.35   | 365                              |
| 2/2                    | 5.63   | 8.69  | 306                                 | 9.10   | 347                              |
| 2/9                    | 5.59   | 8.30  | 271                                 | 8.60   | 301                              |
| 2/16                   | 5.61   | 8.51  | 290                                 | 8.93   | 332                              |
| 2/23                   | 5.65   | 8.51  | 286                                 | 8.88   | 323                              |
| 3/2                    | 5.63   | 8.36  | 273                                 | 8.67   | 304                              |
| 3/9                    | 5.58   | 8.45  | 287                                 | 8.64   | 306                              |
| 3/16                   | 5.58   | 8.33  | 275                                 | 8.57   | 299                              |
| 3/23                   | 5.59   | 7.99  | 240                                 | 8.10   | 251                              |
| 3/30                   | 5.69   | 8.16  | 247                                 | 8.32   | 263                              |
| 4/6                    | 5.76   | 8.13  | 237                                 | 8.25   | 249                              |
| 4/13                   | 5.74   | 7.99  | 225                                 | 8.16   | 242                              |
| 4/20                   | 5.79   | 7.80  | 201                                 | 7.97   | 218                              |
| 4/27                   | 5.89   | 7.88  | 199                                 | 8.04   | 215                              |
| 5/4                    | 5.98   | 7.96  | 198                                 | 8.10   | 212                              |

| <u>Date</u><br>(78) | <u>Bond Buyer</u><br><u>20-Bond Index</u><br>(%) | <u>MAC</u><br><u>Series EE</u> <sup>1.</sup><br>(%) | <u>Basis</u><br><u>Point Spread</u> | <u>MAC</u><br><u>Series 8</u> <sup>1.</sup><br>(%) | <u>Basis</u><br><u>Point Spre</u> |
|---------------------|--|---|-------------------------------------|--|-----------------------------------|
| 5/11                | 5.99   | 7.93  | 194                                 | 8.13   | 214                               |
| 5/18                | 5.98   | 7.80  | 182                                 | 8.01   | 203                               |
| 5/25                | 6.16   | 8.11  | 195                                 | 8.29   | 213                               |
| 6/1                 | 6.19   | 8.11  | 192                                 | 8.29   | 210                               |
| 6/8                 | 6.18   | 8.11  | 193                                 | 8.35   | 217                               |
| 6/15                | 6.16   | 7.82  | 166                                 | 8.01   | 185                               |
| 6/22                | 6.26   | 7.96  | 170                                 | 8.17   | 191                               |
| 6/29                | 6.29   | 7.94  | 165                                 | 8.10   | 181                               |
| 7/6                 | 6.31   | 7.83  | 152                                 | 7.98   | 167                               |
| 7/13                | 6.32   | 7.83  | 151                                 | 8.07   | 175                               |
| 7/20                | 6.26   | 7.77  | 151                                 | 8.05   | 179                               |
| 7/27                | 6.24   | 7.80  | 156                                 | 8.05   | 181                               |

1. Yield to maturity calculated based on bid prices quoted by J.J. Kenny Co.

MAC Series EE = 7-1/2 of 95, First Resolution  
 MAC Series 8 = 7-1/2 of 92, Second Resolution

Average Life of Bonds \*

1977 Series EE = 15 years 8 months  
 1977 Series 8 = 11 years 3 months

\* Reflects mandatory Sinking Fund Requirements



7/20/77



TERMS FOR PURCHASE OF M.A.C. DEBT  
BY N.Y.C. FINANCIAL INSTITUTIONS

1. Three separate agreements are proposed: the Financial Institutions and M.A.C.; the City and the Pension Funds; and seasonal loans.
2. The commitment is through 12/31/81, and not for the duration of the entire 4-year plan.
3. The division of principal is: \$500 million by clearing house banks; \$250 million by savings banks; \$250 million by insurance companies.
4. Not callable for 10 years, and then at a premium of 103, reduced to par at 5 years prior to maturity.
5. Conditions to entering into bond purchase agreement:
  - a - Federal guarantee legislation has been enacted;
  - b - the pension funds have purchased \$118 million of City debt pursuant to the FY1975 Agreement;
  - c - commitments by the State and City pension funds to purchase City and M.A.C. debt;
  - d - M.A.C. bonds purchased by the City pension funds will not be guaranteed and shall be no more favorable in any way than the bonds purchased by the Financial Institutions;

- e - satisfactory commitments sufficient to meet the City's FY1979 seasonal needs have been obtained;
  - f - the E.F.C.B. Act has been amended to provide for a "market access" test prior to sunset;
  - g - all City labor agreements for FY1979 and FY1980 have been ratified by the unions and approved by the E.F.C.B. as consistent with the current 4-year financial plan;
  - h - the Federal Guarantee Agreement has been executed.
6. Conditions to Initial Purchase:
- a - The Federal Guarantee Agreement will have been executed, the first takedown of guaranteed bonds occurs prior to or simultaneous with initial purchase of bonds, and the Federal priority waived with respect to guaranteed bonds;
  - b - the E.F.C.B. has approved the FY1979 expense budget and the financial plan for FY1979-FY1982;
  - c - a separate agreement executed by the City for the benefit of the purchasers, that it

will: comply with the E.F.C.B. Act as amended; not issue short-term debt in violation of limits contained in the E.F.C.B. Act; employ its best efforts to finance its needs in the public market; provide the purchasers with its annual budget, 4-year plan, each modification to the plan and budget, monthly financial statements, reports issued to the Federal Government or Pension Funds pursuant to the Federal Credit Agreement, and such other information as any purchaser may reasonably request relating to the City's credit.

7. Conditions to Each Purchase:

- a - The total principal amount to be taken down will be purchased simultaneously, and all prior purchases have been made;
- b - the Pension Funds made all the purchases they were required to;
- c - the City satisfied all its seasonal needs as of the takedown date, and there shall be seasonal loan commitments for the balance of the year;
- d - M.A.C. completed all the public sales contemplated in the prior fiscal year pursuant to



- the financial plan in effect at the beginning of such fiscal year;
- e - no material modification of any relevant agreement has taken place, or any adverse court decision in respect to the powers of the E.F.C.B. or the provisions of the E.F.C.B. law, M.A.C. law, or validity of any relevant law;
  - f - no pending or threatened litigation contesting the validity of the bonds, provisions of the E.F.C.B. or M.A.C. Acts, or the powers of the E.F.C.B.;
  - g - the bonds purchased have an investment grade rating by Moody's and Standard and Poor's;
  - h - there has been no material adverse change in M.A.C.'s or the City's financial affairs.  
An adverse change includes: a projected deficit in the current fiscal year of over \$100 million; an audited budget deficit in excess of \$100 million; the total seasonal needs of the City, actual and projected, will not exceed an amount to be specified;
  - i - opinions as to the validity of all relevant matters will be rendered (where appropriate)



by the Bond Counsel, M.A.C. Corporate Counsel, the State Attorney General, and Special Counsel to the Financial Institutions;

- j - the State Covenant (Article 10-a of the E.F.C.B. legislation) will be included on all bonds.
8. M.A.C. will covenant that it will not issue bonds in excess of \$8.8 billion; not issue any bonds except under 1st and 2nd resolutions; no 1st resolution bonds can be renewed, refunded, or extended beyond their original maturity date.
  9. M.A.C. will covenant not to issue any notes unless the revenue required for payment is in excess of that required on M.A.C.'s outstanding debt, not to rollover any notes, and to apply the proceeds only for the City's seasonal needs.
  10. There shall be no final determination by any court that any material provision of the State Covenant, M.A.C. Act, or E.F.C.B. Act, is invalid.
  11. If any any time the long-term financing requirements for FY1979-FY1982 are reduced to less than \$4.5 billion, the total commitments will be reduced proportionately.



12. M.A.C. and/or the City will pay all related fees for counsel, matters related to the financing agreement, and rating agency fees.

July 24, 1978

**Municipal Assistance Corporation  
For The City of New York**

MEMORANDUM

Date : 5 April 1978

To : Dr. Jackson Phillips, Moody's Investors Service, Inc.

From: Eugene J. Keilin, Executive Director

Re : MAC Notes

---

If Federal legislation is enacted to provide long-term loans or bond guarantees for The City of New York rather than a renewal of the Federal Seasonal Loan Program, alternative forms of seasonal financing for the City will be required after June 1978. It is assumed that the City's seasonal borrowing needs for fiscal 1979 could be reduced to approximately \$1 billion. Part of the seasonal financing could be provided by a public sale of approximately \$500 million of MAC notes. These notes would be issued during the first few months of the 1979 fiscal year (between July and September 1978) and be payable during the last few months of the 1979 fiscal year (in April and June 1979). It is assumed that these notes would be issued only as part of a comprehensive plan which provides for all of the City's seasonal and long-term financing requirements.

MAC would issue these notes under a new Note Resolution, to be adopted by the Corporation. At present, the Corporation has no notes outstanding; previously, the Corporation has issued notes only for private placement. The new Note Resolution would provide, among other things, that the notes would have a charge or lien with respect to State per capita aid payable to the City pursuant to Section 54 of the State Finance Law ("Per Capita Aid"), State sales and compensating use taxes imposed by Section 1107 of Article 28 of the State Tax Law ("Sales Tax") and the State tax on sale or transfer of stock or other certificates imposed by Section 270 of Article 12 of the State Tax Law ("Stock Transfer Tax"), all of which are available to the Corporation under its enabling legislation. While such claims of the new notes would be legally subordinate to bonds issued under the Corporation's existing resolutions, as explained below, the revenues available to the Corporation after funding debt service on those bonds would be more than sufficient to pay the notes, as demonstrated below.

5 April 1978  
Dr. Jackson Phillips  
Page Two

A capital reserve fund would not be established for the MAC notes, inasmuch as all of the obligations would mature within a year. Issuance of the MAC notes would require certain amendments to the Corporation's enabling legislation with regard to its issuance authorization and purpose of its payments to the City.

MAC is entitled to receive Per Capita Aid on June 25 of each year, and is entitled to receive Sales Tax and Stock Transfer Tax revenues, as collected, on October 12, January 12, April 12, and June 30 of each year. To maximize the seasonal financing for the City, the notes would be payable to the extent possible at the end of June 1979 in order to minimize the revenues which MAC would have to take earlier in the year.

A projected total of \$1.5 billion in revenues will be available to MAC in fiscal 1978 from the three State sources, as follows: \$914 million in Sales Tax; \$250 million in Stock Transfer Tax; and \$350 million in Per Capita Aid (net of possible prior claims).

In fiscal 1979, assuming the levels of State tax collections and State aid projected in the City's four-year financial plan, a total of \$1.65 billion will be available to MAC as follows: \$959 million in Sales Tax; \$250 million in Stock Transfer Tax; and \$442 million in Per Capita Aid (net of possible prior claims). Revenue projections for each of the dates on which MAC certifies its revenue needs are set out in Table I.



5 April 1978  
 Dr. Jackson Phillips  
 Page Three

TABLE I  
 MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Projected Revenues for 1978 and 1979  
 (in \$ millions)

|                       | FUNDING DATE |              |              |              |              | Total         |
|-----------------------|--------------|--------------|--------------|--------------|--------------|---------------|
|                       | <u>10/12</u> | <u>1/12</u>  | <u>4/12</u>  | <u>6/25</u>  | <u>6/30</u>  |               |
| <u>1978</u> (1)       |              |              |              |              |              |               |
| Sales Tax             | 229.8        | 224.0        | 265.1        |              | 195.2        | 914.1         |
| Per Capita Aid (Net)  |              |              |              | 350.0        |              | 350.0         |
| Stock Transfer Tax(3) | 55.0         | 62.5         | 70.0         |              | 62.5         | 250.0         |
|                       | <u>284.8</u> | <u>286.5</u> | <u>335.1</u> | <u>350.0</u> | <u>257.7</u> | <u>1514.1</u> |
| <br><u>1979</u> (2)   |              |              |              |              |              |               |
| Sales Tax             | 241.1        | 235.1        | 278.1        |              | 204.7        | 959.0         |
| Per Capita Aid (Net)  |              |              |              | 442.0        |              | 442.0         |
| Stock Transfer Tax(3) | 55.0         | 62.5         | 70.0         |              | 62.5         | 250.0         |
|                       | <u>296.1</u> | <u>297.6</u> | <u>348.1</u> | <u>442.0</u> | <u>267.2</u> | <u>1651.0</u> |

(1) from Financial Plan Statements for New York City, January 1978  
 (2) from The City of New York Four-Year Financial Plan, Fiscal Years 1979-1982

(3) estimate

5 April 1978  
Dr. Jackson Phillips  
Page Four

Obligations issued by the Corporation under its First General Bond Resolution adopted July 2, 1975 ("First Resolution") are payable out of the Sales Tax and Stock Transfer Tax revenues. Obligations issued by the Corporation under its Second General Bond Resolution adopted November 25, 1975 ("Second Resolution") are payable out of the State Per Capita Aid and, subject to prior claims of First Resolution obligations, out of the Sales and Stock Transfer Tax revenues. All MAC obligations presently outstanding are bonds which have been issued under either the First Resolution or Second Resolution.

Aggregate 1979 MAC debt service funding requirements on all obligations currently outstanding are \$312,657,000 under the First Resolution, and \$195,703,000 under the Second Resolution, for a total of \$508,360,000. Assuming the issuance of some additional MAC bonds as a part of the implementation of the City's four-year financial plan, the total funding requirements would increase by about \$60 million (without taking account of any decrease in such requirements due to either possible refunding or receipt of payments on City obligations), to a total of \$568,360,000. In addition, MAC operating expenses are projected to be \$5.5 million. Debt service funding requirements for each MAC certification date are set out in Table II.

5 April 1978  
 Dr. Jackson Phillips  
 Page Five

TABLE II

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Projected Funding Requirements for 1979  
 (in \$ millions)

|  | FUNDING DATE |             |             |             |             | Total       |
|--|--------------|-------------|-------------|-------------|-------------|-------------|
|  | <u>10/12</u> | <u>1/12</u> | <u>4/12</u> | <u>6/25</u> | <u>6/30</u> |             |
| <u>Presently Outstanding</u><br><u>Bonds</u> |              |             |             |             |             |             |
| First Resolution                             | 75.9         | 75.9        | 80.5        |             | 80.5        | 312.8       |
| Second Resolution                            | 49.1         | 49.1        | 49.1        | 48.4        |             | 195.7       |
| Operating Fund                               |              |             |             |             | 5.5         | 5.5         |
| Total  | 125.0*       | 125.0       | 129.6       | 48.4        | 86.0        | 514.0       |
| <u>Projected Additional</u><br><u>Debt**</u> | <u>15.0</u>  | <u>15.0</u> | <u>15.0</u> | <u>6.0</u>  | <u>9.0</u>  | <u>60.0</u> |
| TOTAL  | 140.0*       | 140.0       | 144.6       | 54.4        | 95.0        | 574.0       |

\* Assumes bonding of remaining 1979 capital reserve fund requirements of approximately \$50 million; if not bonded, the funding requirements for Oct. 12, 1978 would be increased by that amount.

\*\* Assumes a conservative case -- implementation of New York City Four-Year Financial Plan, but does not include the effects of payments from the City to MAC on any City obligation held by MAC.

5 April 1978  
Dr. Jackson Phillips  
Page Six

These figures indicate that there would be more than \$1 billion available to MAC in fiscal 1979 to cover debt service on the proposed notes, after providing for all debt service funding requirements for all MAC obligations presently outstanding and those contemplated to be issued in the City's four-year financial plan, as required by the First and Second Resolutions. Accordingly, the Note Resolution would provide that the claims of the notes to be issued thereunder would be subordinate to the claims of any obligations issued under the First Resolution and the Second Resolution.

In either case, these revenue projections indicate that there would be at least \$203 million available to MAC in April 1979 and \$560 million in June 1979, after meeting all First Resolution and Second Resolution funding requirements, as shown in Table III.

5 April 1978  
 Dr. Jackson Phillips  
 Page Seven

TABLE III

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Projected Additional Debt Carrying Capacity for 1979  
 (in \$ millions)

|   | FUNDING DATE |              |              |             |             | <u>Total</u> |
|---|--------------|--------------|--------------|-------------|-------------|--------------|
|   | <u>10/12</u> | <u>1/12</u>  | <u>4/12</u>  | <u>6/25</u> | <u>6/30</u> |              |
| <u>1979 Revenues</u> (1)                    |              |              |              |             |             |              |
| Sales Tax                                   | 241.1        | 235.1        | 278.1        |             | 204.7       | 959.0        |
| Per Capita Aid (Net)                        |              |              |              | 442.0       |             | 442.0        |
| Stock Transfer Tax                          | 55.0         | 62.5         | 70.0         |             | 62.5        | 250.0        |
| Less: <u>Total Funding Requirements</u> (2) | <u>140.0</u> | <u>140.0</u> | <u>144.6</u> | <u>54.4</u> | <u>95.0</u> | <u>574.0</u> |
| AVAILABLE                                   | 156.1        | 157.6        | 203.5        | 387.6       | 172.2       | 1077.0       |

(1) from The City of New York Four-Year Financial Plan, Fiscal Years 1979-1982

(2) Includes debt presently outstanding and debt to be issued under City's Four-Year Financial Plan, and assumes bonding of capital reserve fund requirements.

5 April 1978  
Dr. Jackson Phillips  
Page Eight

These calculations indicate that the Sales Tax and Per Capita Aid revenues would alone be more than sufficient to pay principal and interest on \$500 million in MAC notes on April 12, 1979 and June 30, 1979. However, the Stock Transfer Tax revenues, projected to be \$250 million in 1979, are also available to MAC and, accordingly, are included in the above figures. The Stock Transfer Tax rebate program established by the State Legislature last year preserves both the tax and its availability to MAC if necessary to meet its debt service requirements.

MAC could expect to have available approximately \$793 million in total revenues during April and June after providing funding for its First and Second Resolution bonds presently outstanding, or \$763 million after providing funding for additional First and Second Resolution bonds as contemplated by the City's four-year financial plan. If \$500 million in notes were issued, the expected total revenues would provide coverage of principal and interest of between approximately 1.5 and 1.6 to 1.0. Using the Sales Tax and Per Capita Aid revenues only, MAC could expect to have available between \$631 and \$661 million in April and June, which would provide coverage on \$500 million in notes of between approximately 1.2 and 1.3 to 1.0.

In addition, the Corporation and the City are exploring the possibility of providing additional backing for the MAC notes in the form of short-term obligations of the City which would be issued and payable to the Corporation.

**Municipal Assistance Corporation  
For The City of New York**

MEMORANDUM

**Date :** 17 March 1978  
**To :** Gedale Horowitz, Salomon Brothers  
**From:** Eugene J. Keilin, Executive Director  
**Re :** MAC Notes

---

If Federal legislation is enacted to provide long-term loans or bond guarantees for The City of New York rather than a renewal of the Federal Seasonal Loan Program, alternative forms of seasonal financing for the City will be required after June 1978. Part of the seasonal financing could be provided by a public sale of MAC notes. These notes would be issued during the first few months of the 1979 fiscal year (between July and September 1978) and be payable during the last few months of the 1979 fiscal year (in April and June 1979). It is assumed that these notes would be issued only as part of a comprehensive plan which provides for all of the City's seasonal and long-term financing requirements.

MAC would issue these notes under a new General Note Resolution, to be adopted by the Corporation. Such Note Resolution would provide, among other things, that the notes would have a charge or lien with respect to State per capita aid payable to the City pursuant to Section 54 of the State Finance Law ("Per Capita Aid"), State sales and compensating use taxes imposed by Section 1107 of Article 28 of the State Tax Law ("Sales Tax") and the State tax on sale or transfer of stock or other certificates imposed by Section 270 of Article 12 of the State Tax Law ("Stock Transfer Tax"), all of which are available to the Corporation under its enabling legislation. At present, the Corporation has no notes outstanding; previously, the Corporation has issued notes only for private placement.

MAC is entitled to receive Per Capita Aid on June 25 of each year, and is entitled to receive Sales Tax and Stock Transfer Tax revenues, as collected, on October 12, January 12, April 12 and June 30 of each year. To maximize the true seasonal financing for the City, the notes would be payable to the extent possible at the end of June 1979 in order to minimize the revenues which MAC would have to take earlier in the year.

A projected total of \$1.5 billion in revenues will be available to MAC in fiscal 1978 from the three State sources, as follows: \$914 million in Sales Tax; \$250 million in Stock Transfer Tax; and \$350 million in Per Capita Aid (net of possible prior claims).

In fiscal 1979, assuming the levels of State tax collections and State aid projected in the City's four-year financial plan, a total of \$1.65 billion will be available to MAC as follows: \$959 million in Sales Tax; \$250 million in Stock Transfer Tax; and \$442 million in Per Capita Aid (net of possible prior claims). Revenue projections for each MAC certification date are set out in Table I.

TABLE I

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Projected Revenues for 1978 and 1979  
 (in \$ millions)

|                      | FUNDING DATE |             |             |             |             | Total         |
|----------------------|--------------|-------------|-------------|-------------|-------------|---------------|
|                      | <u>10/12</u> | <u>1/14</u> | <u>4/12</u> | <u>6/25</u> | <u>6/30</u> |               |
| <u>1978</u> (1)      |              |             |             |             |             |               |
| Sales Tax            | 229.8        | 224.0       | 265.1       |             | 195.2       | 914.1         |
| Per Capita Aid (Net) |              |             |             | 350.0       |             | 350.0         |
| Stock Transfer Tax   |              |             |             |             |             | 250.0         |
|                      |              |             |             |             |             | <u>1514.1</u> |
| <u>1979</u> (2)      |              |             |             |             |             |               |
| Sales Tax            | 241.1        | 235.1       | 278.1       |             | 204.7       | 959.0         |
| Per Capita Aid (Net) |              |             |             | 442.0       |             | 442.0         |
| Stock Transfer Tax   |              |             |             |             |             | 250.0         |
|                      |              |             |             |             |             | <u>1651.0</u> |

(1) from Financial Plan Statements for New York City, January 1978  
 (2) from The City of New York Four-Year Financial Plan, Fiscal Years 1979-1982



17 March 1978  
Gedale Horowitz  
Page Three

Obligations issued by the Corporation under its First General Bond Resolution adopted July 2, 1975 ("First Resolution") are payable out of the Sales Tax and Stock Transfer Tax revenues. Obligations issued by the Corporation under its Second General Bond Resolution adopted November 25, 1975 ("Second Resolution") are payable out of the State Per Capita Aid and, subject to prior claims of First Resolution obligations, out of the Sales and Stock Transfer Tax revenues. All MAC obligations presently outstanding are bonds which have been issued under either the First Resolution or Second Resolution.

Aggregate 1979 MAC debt service funding requirements on all obligations currently outstanding are \$312,657,000 under the First Resolution, and \$195,703,000 under the Second Resolution, for a total of \$508,360,000. Assuming the issuance of some additional MAC bonds as a part of the implementation of the City's four-year financial plan, the total funding requirements would increase by about \$60 million (without taking account of any decrease in such requirements due to either possible refunding or receipt of payments on City obligations), to a total of \$568,360,000. In addition, MAC operating expenses are projected to be \$5.5 million. Debt service funding requirements for each MAC certification date are set out in Table II.

TABLE II

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Projected Funding Requirements for 1979  
 (in \$ millions)

|  | FUNDING DATE |             |             |             |             | <u>Total</u> |
|--|--------------|-------------|-------------|-------------|-------------|--------------|
|  | <u>10/12</u> | <u>1/14</u> | <u>4/12</u> | <u>6/25</u> | <u>6/30</u> |              |
| <u>Presently Outstanding</u><br><u>Bonds</u> |              |             |             |             |             |              |
| First Resolution                             | 75.9         | 75.9        | 80.5        |             | 80.5        | 312.8        |
| Second Resolution                            | 49.1         | 49.1        | 49.1        | 48.4        |             | 195.7        |
| Operating Fund                               |              |             |             |             | 5.5         | 5.5          |
| Total  | 125.0        | 125.0       | 129.6       | 48.4        | 86.0        | 514.0        |
| <u>Projected Additional</u><br><u>Debt*</u>  | <u>15.0</u>  | <u>15.0</u> | <u>15.0</u> | <u>6.0</u>  | <u>9.0</u>  | <u>60.0</u>  |
| TOTAL  | 140.0        | 140.0       | 144.6       | 54.4        | 95.0        | 574.0        |

\* Assumes 'most conservative case' -- implementation of New York City Four-Year Financial Plan, but does not include the effects of payments from the City to MAC on any City obligation held by MAC.

These figures indicate that there would be more than \$1 billion available to MAC in fiscal 1979 to cover debt service on the proposed notes, after providing for all debt service funding requirements for all MAC obligations presently outstanding and those contemplated to be issued in the City's four-year financial plan, as required by the First and Second Resolutions. Accordingly, the General Note Resolution would provide that the claims of the notes to be issued thereunder would be subordinate to the claims of any obligations issued under the First Resolution and the Second Resolution.

In either case, these revenue projections indicate that there would be at least \$133 million available to MAC in April 1979 and \$498 million in June 1979, exclusive of the Stock Transfer Tax revenues, after meeting all First Resolution and Second Resolution funding requirements, as shown in Table III.

TABLE III

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK  
Projected Additional Debt Carrying Capacity for 1979  
 (in \$ millions)

|   | FUNDING DATE |              |              |             |             | Total        |
|---|--------------|--------------|--------------|-------------|-------------|--------------|
|   | <u>10/12</u> | <u>1/14</u>  | <u>4/12</u>  | <u>6/25</u> | <u>6/30</u> |              |
| <u>1979 Revenues</u> (1)                    |              |              |              |             |             |              |
| Sales Tax                                   | 241.1        | 235.1        | 278.1        |             | 204.7       | 959.0        |
| Per Capita Aid (Net)                        |              |              |              | 442.0       |             | 442.0        |
| Less: <u>Total Funding Requirements</u> (2) | <u>140.0</u> | <u>140.0</u> | <u>144.6</u> | <u>54.4</u> | <u>95.0</u> | <u>574.0</u> |
| AVAILABLE                                   | 101.1        | 95.1         | 133.5        | 387.6       | 109.7       | 827.0        |

(1) from The City of New York Four-Year Financial Plan, Fiscal Years 1979-1982

(2) Includes debt presently outstanding and debt to be issued under City's Four-Year Financial Plan.

The Stock Transfer Tax revenues, projected to be \$250 million in 1979, are also available to MAC, but are not included in the above calculations because of the desirability of permitting them to be rebated to taxpayers under the rebate program established by the State Legislature last year. However, that rebate program preserves both the tax and its availability to MAC if necessary to meet its debt service requirements.

17 March 1978  
Gedale Horowitz  
Page Six

Using the above Sales Tax and Per Capita Aid projections, MAC could expect to receive approximately \$691 million in revenues during April and June after providing funding for its First and Second Resolution bonds presently outstanding, or \$631 million after providing funding for additional First and Second Resolution bonds pursuant to the City's four-year financial plan. These revenues could provide for payment of principal and interest on MAC notes on April 12, 1979 and June 30, 1979. If \$500 million in notes were issued, the expected revenues would provide coverage of principal and interest of between approximately 1.2 and 1.4 to 1.0.

MUNICIPAL ASSISTANCE CORPORATION

Series "FF"

Issued to New York City Employee Retirement Systems  
Maturity now due 2/1/1978 at 6%, Paid 2/1/86 at 7-1/2%

Payment Schedule

(In \$ Thousands)

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|--------------|
| 1978               | 0                | 3,610           | 3,610        |
| 1979-1985          | 0                | 4,011           | 4,011        |
| 1986               | 53,475           | 4,011           | 57,486       |

/lsd  
7/21/77

The insurance companies are considering purchasing MAC Bonds in the following amounts:

|                     | <u>1978 Takedown</u> | <u>Delayed Takedown</u> | <u>Total</u>         |
|---------------------|----------------------|-------------------------|----------------------|
| Metropolitan        | \$110,000,000        | \$ -                    | \$110,000,000        |
| Equitable           | 70,000,000           | -                       | 70,000,000           |
| New York Life       | 10,000,000           | 36,000,000              | 46,000,000           |
| MONY                | 16,000,000           | -                       | 16,000,000           |
| Home                | 4,000,000            | -                       | 4,000,000            |
| TIAA                | -                    | 2,000,000               | 2,000,000            |
| U.S. Life           | 1,000,000            | -                       | 1,000,000            |
| Security Mutual     | 100,000              | 300,000                 | 400,000              |
| Beneficial National | 60,000               | 190,000                 | 250,000              |
| Columbia Mutual     | 50,000               | 150,000                 | 200,000              |
| Companion Life      | 100,000              | -                       | 100,000              |
|                     | <u>\$211,310,000</u> | <u>\$38,640,000</u>     | <u>\$249,950,000</u> |

Alternative I

MAC's Proposed Offering Schedule

| <u>Fis. Yr.*</u> | <u>Amount</u>    | <u>Coupon</u> | <u>Met.</u>      | <u>Equit.</u>   | <u>NYL</u>      | <u>MONY</u>     | <u>Home</u>    | <u>U.S. Life</u> | <u>Others</u> |
|------------------|------------------|---------------|------------------|-----------------|-----------------|-----------------|----------------|------------------|---------------|
| 6/30/84          | \$ 7,000         | 7.50%         | -                | \$ 6,040        | \$ 330          | \$ 530          |                |                  | \$100         |
| 6/30/85          | 8,000            | 7.65          | -                | 7,015           | 380             | 605             |                |                  |               |
| 6/30/86          | 9,000            | 7.80          | -                | 7,895           | 425             | 680             |                |                  |               |
| 6/30/87          | 10,000           | 7.90          | \$ 5,000         | 3,765           | 475             | 760             |                |                  |               |
| 6/30/88          | 11,000           | 8.00          | 5,000            | 4,645           | 520             | 835             |                |                  |               |
| 6/30/89          | 12,000           | 8.05          | 10,000           | 520             | 570             | 910             |                |                  |               |
| 6/30/90          | 13,000           | 8.10          | 10,000           | 1,400           | 615             | 985             |                |                  |               |
| 6/30/91          | 14,000           | 8.15          | 10,000           | 2,275           | 665             | 1,060           |                |                  |               |
| 6/30/92          | 15,000           | 8.20          | 12,000           | 1,155           | 710             | 1,135           |                |                  |               |
| 6/30/93          | 17,310           | 8.25          | 12,000           | 3,215           | 805             | 1,290           |                |                  |               |
| 6/30/94          | 18,000           | 8.30          | 13,000           | 2,780           | 855             | 1,365           |                |                  |               |
| 6/30/95          | 20,000           | 8.35          | 13,000           | 4,535           | 950             | 1,515           |                |                  |               |
| 6/30/96          | 27,000           | 8.40          | 15,000           | 3,460           | 1,280           | 2,050           | \$4,000        | \$1,000          | 210           |
| 6/30/97          | 24,000           | 8.40          | 5,000            | 16,040          | 1,140           | 1,820           |                |                  |               |
| 6/30/98          | 3,000            | 8.40          | -                | 2,630           | 140             | 230             |                |                  |               |
| 6/30/99          | 3,000            | 8.40          | -                | 2,630           | 140             | 230             |                |                  |               |
| <u>Total</u>     | <u>\$211,310</u> |               | <u>\$110,000</u> | <u>\$70,000</u> | <u>\$10,000</u> | <u>\$16,000</u> | <u>\$4,000</u> | <u>\$1,000</u>   | <u>\$310</u>  |

|                          |       |       |       |       |       |       |       |       |       |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>Yield to Maturity</u> | 8.25% | 8.25% | 8.22% | 8.25% | 8.25% | 8.25% | 8.40% | 8.40% | 8.29% |
| <u>Avg. Life</u>         | 13.0  | 13.3  | 12.25 | 13.0  | 13.0  | 13.0  | 16.8  | 16.8  | 12.9  |

Alternative II

(\$000)

Resulting MAC Schedule

| <u>Fis. Yr.*</u> | <u>Amount</u>    | <u>Coupon</u> | <u>Met.</u>      | <u>Equit.</u>   | <u>NYL</u>      | <u>MONY</u>     | <u>Home</u>    | <u>U.S. Life</u> | <u>Other</u> |
|------------------|------------------|---------------|------------------|-----------------|-----------------|-----------------|----------------|------------------|--------------|
| 6/30/87          | \$ 9,500         | 7.90%         | \$ 5,000         | \$ 3,200        | \$ 500          | \$ 700          |                |                  | \$100        |
| 6/30/88          | 9,400            | 8.00          | 5,000            | 3,200           | 500             | 700             |                |                  |              |
| 6/30/89          | 18,800           | 8.05          | 10,000           | 6,400           | 900             | 1,500           |                |                  |              |
| 6/30/90          | 18,700           | 8.10          | 10,000           | 6,400           | 900             | 1,400           |                |                  |              |
| 6/30/91          | 18,800           | 8.15          | 10,000           | 6,400           | 900             | 1,500           |                |                  |              |
| 6/30/92          | 22,300           | 8.20          | 12,000           | 7,600           | 1,000           | 1,700           |                |                  |              |
| 6/30/93          | 27,610           | 8.25          | 12,000           | 7,600           | 1,000           | 1,800           | \$4,000        | \$1,000          | 210          |
| 6/30/94          | 24,400           | 8.30          | 13,000           | 8,300           | 1,200           | 1,900           |                |                  |              |
| 6/30/95          | 24,300           | 8.35          | 13,000           | 8,200           | 1,200           | 1,900           |                |                  |              |
| 6/30/96          | 28,100           | 8.40          | 15,000           | 9,500           | 1,400           | 2,200           |                |                  |              |
| 6/30/97          | 9,400            | 8.40          | 5,000            | 3,200           | 500             | 700             |                |                  |              |
| <u>Total</u>     | <u>\$211,310</u> |               | <u>\$110,000</u> | <u>\$70,000</u> | <u>\$10,000</u> | <u>\$16,000</u> | <u>\$4,000</u> | <u>\$1,000</u>   | <u>\$310</u> |

|                          |       |       |       |       |       |       |       |       |       |
|--------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <u>Yield to Maturity</u> | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.25% | 8.18% |
| <u>Avg. Life</u>         | 13.3  | 13.3  | 13.3  | 13.3  | 13.3  | 13.3  | 13.8  | 13.8  | 11.9  |

\* Assumes a takedown on September 15, 1978. All repayments of principal are on July 1 (the first day) of each fiscal year.

BUSINESS TERMS FOR PARTICIPATION  
IN MUNICIPAL ASSISTANCE CORPORATION FINANCING

- Amount of Financing - up to \$250 million.
- Issue - 2nd Resolution MAC Bonds, provided the following covenants and conditions are obtained.
- Interest Rate & Price - % - Interest Rate @ a price of 100
- Term of Financing - Non-callable serial maturities maturing 1982-1994, provided that no other participant in MAC financing purchases an issue with a shorter average life or a shorter maturity.
- Takedown - Between August, 1978 and March, 1979 on 30 days' notice at the participant's option.
- Participants
- | <u>Participants</u>  | <u>Amount</u> |
|----------------------|---------------|
| - Metropolitan (a)   |               |
| Equitable            |               |
| New York Life        |               |
| Mutual of New York   |               |
| ✓ Teachers Insurance |               |
| Guardian Life        |               |
| Home Life            |               |
| Manhattan Life       |               |
| U.S. Life            |               |
- (a) 40% of insurance company group purchase but not to exceed \$100 million.
- Closing Conditions for Purchase Agreement
- (a) N.Y. City's budget for fiscal year 1979 certified as being balanced (as adjusted under the Financial Plan) by Controller of the State of New York.
  - (b) Legislation enacted by U.S. Government authorizing \$2.0 billion in guarantees for period of 20 years for N.Y. City bonds.
  - (c) Labor contracts, currently being negotiated with all employees, including uniform services, approved by unions, N.Y. City and Emergency Financial Control Board.

Closing Conditions  
for Purchase  
Agreement-contd.

- (d) All commitments to purchase N.Y. City or MAC obligations under 1975 Emergency Financial Agreement have been honored by all participants.
- (e) N.Y. State legislation has been enacted reestablishing Emergency Financial Control Board, effective July 1, 1978, for a term expiring not prior to 1995 with all powers as outlined in draft of May 12, 1978 entitled Comments on April 28, 1978 Draft of Proposed N.Y. State Act to Amend the Financial Emergency Act of the City of New York.
- (f) At least \$3.5 billion of MAC and city obligations are committed for by state and local pension funds and financial institutions under the Financial Plan.
- (g) Legislation authorizing increase in MAC's borrowing power has been enacted by New York State Government.
- (h) Opinion to be furnished by outside counsel regarding legality of purchase and enabling legislation.

Covenants to be  
Included in Bond  
Resolution

- Issuance of additional 1st Resolution Bonds permitted only up to (a) the lesser of \$3.787 billion, or amount authorized by pending legislation, minus, (b) 1st Resolution Bonds heretofore issued and no 1st Resolution Bonds can be renewed, refunded, or extended beyond their original maturity date. Issuance of 2nd Resolution Bonds permitted only up to (a) the lesser of \$5.062 billion, or amount authorized by pending legislation, provided that revenues available (as defined) cover pro forma debt service 2.0 times. No substitution or alteration of streams of revenues to service MAC debt permitted. Terms for other participants in 1978 Emergency Financial Plan shall be no more favorable to such participants than the terms applicable to insurance company participants in such Plan.

minus (b) 2nd  
Resolution Bonds  
heretofore issued,  
and





2/12

State of New York  
Municipal Assistance Corporation  
For The City of New York  
Two World Trade Center  
New York, N. Y. 10047

Felix G. Rohatyn  
Chairman

Eugene Keilin  
Executive Director

Board Members  
Francis J. Barry  
George M. Brooker  
John A. Coleman  
Thomas D. Flynn  
George D. Gould  
Dick Netzer  
Donna E. Shalala  
Robert C. Weaver

(212) 488-5720

Writer's Direct Wire: (212) 488- 5720

23 November 1976

TO: MAC Board of Directors and Representatives

RE: Review of City and MAC Debt Service

This memorandum will review the debt service of the City and of the Corporation.

1. MAC debt service payment and debt service funding requirements:

| <u>Fiscal Year</u> | (\$ millions)   |                |
|--------------------|-----------------|----------------|
|                    | <u>Payments</u> | <u>Funding</u> |
| 1977               | \$ 481          | \$ 642         |
| 1978               | 491             | 605            |
| 1979               | 477             | 632            |
| 1980               | 564             | 743            |
| 1981               | 542             | 479            |
| 1982               | 514             | 497            |
| 1983               | 506             | 496            |
| 1984               | 499             | 372            |
| 1985               | 412             | 558            |
| 1986               | 513             | 126            |
| 1987               | 254             | 109            |
| 1988               | 178             | 62             |
| 1989               | 85              | 67             |
| 1990               | 86              | 64             |
| 1991               | 87              | 84             |
| 1992               | 85              | 54             |
| 1993               | 57              | 62             |
| 1994               | 61              | 37             |
| 1995               | 45              | ( 20)          |

2. Financing Needs of the City

A. Notes in Moratorium

Presently \$983 million of publicly-held City notes are subject to the Moratorium, and covered by the Court of Appeals decision. In addition, banks and pension funds hold \$819 million of City notes.

23 November 1976

MEMORANDUM/MAC Board of Directors

Page Two...

- B. Following the completion of the Three-Year Plan on June 30, 1978, the City will face substantial financing needs; and each of the financing programs presently in place will have expired. In brief, the requirements will be:

(i) Seasonal Financing

Due primarily to the difference in timing between the City's expenditures and its collection of certain revenues, principally State aid, the City has very high intra-year seasonal needs. These needs are estimated by the City to peak at approximately \$2.6 billion in March.

(ii) Capital Spending

The City will continue to have expense items in its capital budget until 1985. In addition, there is a need for a program of capital expenditures. The combined total may be about \$1 billion per year after Fiscal Year 1978. (The Plan contemplates \$515 million of capitalized expenses and \$429 million of true capital expenses in Fiscal Year 1978, or a total of \$944 million.)

3. We have assumed that City debt service will remain at about \$1.7 to \$1.8 billion per year for the remaining two Plan years and immediate post-Plan years, based in part on the following considerations:

- A. Until the last sale, bonds issued to pension funds under the November 26, 1975 Agreement were of short maturity and all are at 9 per cent interest.
- B. Notes previously subject to the Moratorium will be financed by the City, in whole or in part.
- C. The City will continue to need about \$100 million annually for interest on seasonal borrowing, whether from the Federal credit agreement and State advances or from normal banking sources.

Recent discussions with City Staff confirm this estimate. Work is currently underway to refine these figures, and to analyze the impact of various changes in the City's debt structure.

4. As of this date, the Corporation has outstanding debt of \$3,710 million, and assets on hand for repayment of principal of \$290 million for net outstanding of \$3,420 million. The City had outstanding debt on June 30, 1976 of \$8,088 million, excluding Sinking Fund issues and related assets, and excluding the State note repaid in October and State aid advances.

5. If we received unqualified Federal guaranties, we would expect our issues to sell in line with Federal agencies. Current yields of 20-25 year agencies are in the 7 3/4 per cent range. A 1/4-point insurance premium would raise the rate to us to 8 per cent. If we assumed issuance of debt at 8 per cent with level debt service, the annual debt service on \$3,420 would be \$348 million per year over 20 years, or \$320 million over 25 years. If no capital reserve were required, the savings over the next several years compared to current debt service funding requirements, would be:

(\$ millions)

| <u>Fiscal Year</u>  | <u>Current Amount</u> | <u>8%-20-year</u> | <u>Savings</u> | <u>8%-25-year</u> | <u>Savings</u> |
|---------------------|-----------------------|-------------------|----------------|-------------------|----------------|
| 1977                | 581                   | 348               | 243            | 320               | 271            |
| 1978                | 589                   | 348               | 241            | 320               | 269            |
| 1979                | 616                   | 348               | 268            | 320               | 296            |
| 1980                | 720                   | 348               | 372            | 320               | 400            |
| 1981                | 493                   | 348               | 145            | 320               | 173            |
| 1982                | 465                   | 348               | <u>117</u>     | 320               | <u>145</u>     |
| Cumulative Savings: |                       |                   | 1,386          |                   | 1,554          |

There would be savings until 1987 on a payment basis, and until 1986 on a funding basis.

6. Because our debt service funding comes from moneys which would otherwise be available to the City, the savings represent actual cash which could flow to the City.

EJK  
PGG  
/lsd

cc: Allen L. Thomas, Esq.  
file

DRAFT



State of New York  
Municipal Assistance Corporation  
For The City of New York

Two World Trade Center  
New York, N. Y. 10047

Eugene Keilin  
Executive Director

Felix G. Rohatyn  
Chairman

Board Members  
Francis J. Barry  
George M. Brooker  
John A. Coleman  
Thomas D. Flynn  
George D. Gould  
Dick Netzer  
Donna E. Shalala  
Robert C. Weaver

(212) 488-5720

Writer's Direct Wire: (212) 488-5723

October 19, 1976

To: Felix G. Rohatyn  
From: Paul G. Giddings  
Re: Debt Restructure

We have always considered the Corporation as the ultimate source of payment for City notes in moratorium, through exchanges for MAC bonds, both as part of the intent of the moratorium legislation and because no other moneys are available to repay the notes. There are presently outstanding \$983 million publicly-held City notes. If these notes were exchanged for MAC bonds backed by Federal guaranty and at 8% level debt service for 20 or 25 years, the annual debt service requirement would increase:

8% - 20 years: \$100 million  
8% - 25 years: \$ 92 million

If payment of principal were deferred 5 years, debt service for that initial period would be \$79 million annually.

The annual debt service savings shown at paragraph 4 of my memorandum of 10/18/76 would be reduced accordingly:

| (\$ millions) | <u>Fiscal Year</u> | <u>Original Savings</u> | <u>Added Expense</u> | <u>Revised Savings</u> |
|---------------|--------------------|-------------------------|----------------------|------------------------|
|               | 1977               | 243-271                 | 79-100               | 143-192                |
|               | 1978               | 241-269                 | 79-100               | 141-190                |
|               | 1979               | 268-296                 | 79-100               | 168-217                |
|               | 1980               | 372-400                 | 79-100               | 272-321                |
|               | 1981               | 145-173                 | 79-100               | 45-94                  |
|               | 1982               | 117-145                 | 92-100               | 17-53                  |

cc: S.Weinstein ✓



*S. Weinstein*

State of New York  
Municipal Assistance Corporation  
For The City of New York  
Two World Trade Center  
New York, N. Y. 10047

Felix G. Rohatyn  
Chairman

Eugene Keilin  
Executive Director

Board Members  
Francis J. Barry  
George M. Brooker  
John A. Coleman  
Thomas D. Flynn  
George D. Gould  
Dick Netzer  
Donna E. Shalala  
Robert C. Weaver

(212) 488-5720

Writer's Direct Wire: (212) 488- 5723

18 October 1976

MEMORANDUM

TO: Felix G. Rohatyn  
FROM: Paul G. Giddings  
RE: Debt Restructuring

This memorandum is intended to recapitulate the series of memoranda and other materials which I have sent you regarding stretching out the debt service of the City and of the Corporation. It is also intended for distribution to the many people who have requested documentation for the figures used in your recent speech.

1. MAC debt service payment and debt service funding requirements:  
(\$ millions)

| <u>Fiscal Year</u> | <u>Payments</u> | <u>Funding</u> |
|--------------------|-----------------|----------------|
| 1977               | 491             | 591            |
| 1978               | 491             | 589            |
| 1979               | 477             | 616            |
| 1980               | 564             | 720            |
| 1981               | 542             | 493            |
| 1982               | 514             | 465            |

(Sources: Current estimates for 1977: Debt service report of March 18, 1976 adjusted for issuance of Series 5 and 6 and possible interest earnings for subsequent years.)

2. We have assumed that City debt service will remain at the \$1.7 to \$1.8 billion per year for the remaining 2 Plan years and immediate post-Plan years, based in part on the following considerations:
- Bonds being issued to pension funds under the November 26, 1975 Agreement are of short maturity and are at 9% interest.
  - If the City regains access to the public market, issues in at least the first two or three years are also likely to be of short maturity and at high interest rates.
  - The City will continue to need more than \$100 million annually for interest on seasonal borrowing, whether from the Federal credit agreement and State advances or from normal banking sources.

18 October 1976

MEMORANDUM/Felix G. Rohatyn

Page Two...

3. As of this date, the Corporation has outstanding debt of \$3,710 million, and assets on hand for repayment of principal of \$290 million for net outstanding of \$3,420 million. The City had outstanding debt on June 30, 1976 of \$8,088 million, excluding Sinking Fund issues and related assets, and excluding the State note repaid in October and State aid advances.
4. If we received unqualified Federal guaranties, we would expect our issues to sell in line with Federal agencies. Current yields of 20-25 year agencies are in the 7 3/4 per cent range. A 1/4 point insurance premium would raise the rate to us to 8 per cent. If we assumed issuance of debt at 8 per cent with level debt service, the annual debt service on \$3,418 would be \$348 million per year over 20 years, or \$320 million over 25 years. If no capital reserve were required, the savings over the next several years compared to current debt service funding requirements would be:

| <u>Fiscal Year</u>  | (\$ millions)         |                   |                |                   |                |
|---------------------|-----------------------|-------------------|----------------|-------------------|----------------|
|                     | <u>Current Amount</u> | <u>8%-20-year</u> | <u>Savings</u> | <u>8%-25-year</u> | <u>Savings</u> |
| 1977                | 591                   | 348               | 243            | 320               | 271            |
| 1978                | 589                   | 348               | 241            | 320               | 269            |
| 1979                | 616                   | 348               | 268            | 320               | 296            |
| 1980                | 720                   | 348               | 372            | 320               | 400            |
| 1981                | 493                   | 348               | 145            | 320               | 173            |
| 1982                | 465                   | 348               | 117            | 320               | 145            |
| Cumulative savings: |                       |                   | 1,386          |                   | 1,554          |

There would be savings until 1987 on a payment basis, and until 1986 on a funding basis.

5. Because our debt service funding comes from moneys which would otherwise be available to the City, the savings represent actual cash which would flow to the City for operating purposes.
6. If the City were able, by Federal guaranty or otherwise, to recast its debt along similar lines, its debt service on \$8,088 of debt would be \$760 to 825 million. Savings would be in \$1 billion range per year for the next several years.
7. City debt service comes principally from real estate taxes which can only be levied for this purpose. The current City real estate tax rate is \$8.79 per \$100 of assessed value. Each \$100 million represents approximately \$.25 in the rate. Therefore, \$1 billion would be more than a \$2.00, or 20 per cent, reduction in the real estate tax rate. As the City issued new bonds for future capital projects, this amount would of course increase, but from the much lower base.
8. The short-term City notes now in moratorium are included above in the \$8,088 million total of City debt to be restructured. Our assumption is that this amount would be included in a new financing, providing sufficient proceeds to pay them off at par.

18 October 1976

MEMORANDUM/Felix G. Rohatyn

Page Three...

9. No provision has been made in these calculations for the fact that many City and MAC debt obligations sell below par, and might be repurchased and redeemed at discounts, thereby reducing the amount of refunding debt which would have to be issued. Similarly, no provision has been made for the possibility that announcement of such a program might send our bonds to a premium, thereby bringing into play the various call provisions which would require payment of premiums and delay implementation until call dates occur.

PGG/lsd

CALLS FOR MEL HEINEMAN

*4/6/76*  
*File*  
*MAC*

- 1: 3:05 - Mr. Dwyer - Please call - 483-1000.
- 2. Marshall Smith called with the following figures, subject to Nov. 26 MAC Agreement:

|  |                    |
|--|--------------------|
| Total MAC Bonds held by Clearing House Banks | \$1,011,823,000    |
| " " " " " Pension Funds                      | 665,000,000        |
| " " " " " Sinking Funds                      | <u>131,500,000</u> |
| Grand Total                                  | \$1,808,323,000    |

MAC Bonds By Series, subject of NOV 26 MAC Agreement:

| <u>Series</u> | <u>Held By</u> | <u>Amount</u> |
|---------------|----------------|---------------|
| C             | Banks          | \$250,000,000 |
| D             | Banks          | 100,000,000   |
| E             | Banks          | 40,295,000    |
| F             | Pension Funds  | 165,000,000   |
| H             | Banks          | 9,990,000     |
| I             | Pension Funds  | 100,000,000   |
| K             | Sinking Funds  | 28,500,000    |
| L             | Pension Funds  | 41,500,000    |
| N             | Pension Funds  | 63,000,000    |
| P             | Sinking Funds  | 63,000,000    |
| Q             | Pension Funds  | 23,000,000    |
| R             | Sinking Funds  | 10,000,000    |
| S             | Sinking Funds  | 30,000,000    |
| T             | Pension Funds  | 177,000,000   |
| W             | Pension Funds  | 81,000,000    |
| Z             | Pension Funds  | 14,500,000    |

*Not*

Smith is working on Series A & B. - called back at 4:15 with the following:

| <u>Series</u> |             |                               |
|---------------|-------------|-------------------------------|
| A             | Banks et al | \$450,540,000 (held by banks) |
| B             | Banks       | 62,860,000                    |





# DRAFT

## MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

### NET CHANGE IN DEBT SERVICE FUNDING REQUIREMENTS FOR RESTRUCTURED PORTION OF FIRST GENERAL RESOLUTION BONDS ASSUMING A FIVE-YEAR DEFERRAL OF CAPITAL REPAYMENT

| For the<br>fiscal year<br>ended<br>June 30 | Current funding requirement |   | Funding requirement assuming<br>5-year deferral of principal repayment |   | Net increase (decrease)<br>in funding requirement |   |
|--|-----------------------------|---|--|---|---|---|
|  | Debt<br>service             | Capital<br>reserve fund<br>contribution | Debt<br>service  | Capital<br>reserve fund<br>contribution | Debt<br>service                                   | Capital<br>reserve fund<br>contribution |
|  |                             |   |  |   |   |   |
|  | \$ 195,378,725.00           | \$ 60,400,995.00                        | \$ 195,378,725.00  | \$ 124,845.00                           | \$ (205,815,900.00)                               | \$ 33,273,850.00                        |
| 1976                                       | 243,703,480.00              | 60,263,520.00                           | 29,899,390.00  | 27,124,845.00                           | (137,179,650.00)                                  | (33,133,675.00)                         |
| 1977                                       | 245,673,430.00              | 60,117,532.50                           | 108,499,390.00   | 27,124,845.00                           | (137,182,550.00)                                  | (32,992,387.50)                         |
| 1978                                       | 245,681,930.00              | 60,077,582.50                           | 108,499,390.00   | 27,124,845.00                           | (137,194,150.00)                                  | (32,889,737.50)                         |
| 1980                                       | 245,693,530.00              | (841,100.00)                            | 177,409,390.00   | 133,103,600.00                          | (68,565,000.00)                                   | 63,173,500.00                           |
| 1981                                       | 245,675,930.00              | (295,400.00)                            | 245,705,290.00   | 245,430,930.00                          | 25,350.00   | 21,050.00                               |
| 1982                                       | 245,675,930.00              | (361,850.00)                            | 245,384,530.00   | (236,500.00)                            | (13,600.00)                                       | 75,350.00                               |
| 1983                                       | 245,692,930.00              | (339,100.00)                            | 245,831,930.00   | (245,900.00)                            | (20,750.00)                                       | 93,200.00                               |
| 1984                                       | 245,702,680.00              | (406,640.00)                            | 245,305,940.00   | (303,150.00)                            | (19,050.00)                                       | 103,490.00                              |
| 1985                                       | 245,712,580.00              | (238,751,940.00)                        | (115,899,000.00)   | (337,950.00)                            | (19,050.00)                                       | 238,413,990.00                          |
| 1986                                       | 122,352,940.00              |   | 245,675,930.00   | (295,400.00)                            | 122,822,440.00                                    | (295,400.00)                            |
| 1987                                       |                             |   | 245,679,930.00   | (303,150.00)                            | 245,679,930.00                                    | (361,850.00)                            |
| 1988                                       |                             |   | 245,692,930.00   | (361,550.00)                            | 245,692,930.00                                    | (361,850.00)                            |
| 1989                                       |                             |   | 245,702,680.00   | (339,100.00)                            | 245,702,680.00                                    | (339,100.00)                            |
| 1990                                       |                             |   | 245,712,580.00   | (406,640.00)                            | 245,712,580.00                                    | (406,640.00)                            |
| 1991                                       |                             |   | 122,352,940.00   | (238,751,940.00)                        | 122,352,940.00                                    | (238,751,940.00)                        |
| Totals                                     | \$2,529,451,435.00          | \$2,579,483,435.00                      | \$2,011,950,335.00   | \$2,071,950,325.00                      | \$542,496,900.00                                  | \$542,496,900.00                        |

**Basis of preparation:**

- (1) The five-year deferral of principal repayment on the restructured portion of First General Resolution Bonds assumes that the debt service payments currently scheduled in fiscal years 1977-1986 will be rescheduled to fiscal years 1982-1991, and that interest will continue to be paid semiannually on the outstanding debt at the rate of 6% per annum.
- (2) It has been assumed that actual amounts which have already been funded in fiscal year 1976 for the first scheduled principal repayment, currently due February 1, 1977, will be used to reduce debt service fundings in fiscal year 1977.
- (3) The capital reserve fund is required to have the following percentages of each calendar year's debt service requirement on deposit by January 1 of such year: 1977 - 25%, 1978 - 50%, 1979 - 75%, 1980 - 100% and thereafter 100% of the succeeding calendar year's debt service requirement.

# DRAFT

MUNICIPAL ASSISTANCE CORPORATION  
FOR THE CITY OF NEW YORK

NET CHANGE IN DEBT SERVICE PAYMENT REQUIREMENTS FOR RESTRUCTURED PORTION OF FIRST GENERAL  
RESOLUTION BONDS ASSUMING A FIVE-YEAR DEFERRAL OF PRINCIPAL REPAYMENT

| For the<br>fiscal year<br>ended<br>June 30 | Current debt service<br>payment requirement |               | Debt service payment requirement assuming<br>5-year deferral of principal repayment |                 | Net increase (decrease) in debt<br>service payment requirements |               |
|--|---|---------------|---|-----------------|---|---------------|
|  | Principal                                   | Interest      | Principal   | Interest        | Principal   | Interest      |
| 1976                                       | -   | \$ 72,519,035 | -   | \$ 72,519,035   | -   | -             |
| 1977                                       | 137,220,000                                 | 108,499,380   | -   | 108,499,380     | (\$137,220,000)   | -             |
| 1978                                       | 145,425,000                                 | 100,266,180   | -   | 108,499,380     | (145,425,000)   | 8,233,200     |
| 1979                                       | 154,125,000                                 | 91,540,680    | -   | 108,499,380     | (154,125,000)   | 16,958,700    |
| 1980                                       | 163,405,000                                 | 82,293,180    | -   | 108,499,380     | (163,405,000)   | 26,206,200    |
| 1981                                       | 173,200,000                                 | 72,488,880    | -   | 108,499,380     | (173,200,000)   | 36,010,500    |
| 1982                                       | 183,565,000                                 | 62,096,880    | \$ 107,220,000  | 108,499,380     | (46,345,000)  | 46,402,500    |
| 1983                                       | 194,615,000                                 | 51,082,980    | 145,425,000   | 100,266,180     | (49,190,000)  | 49,183,200    |
| 1984                                       | 206,280,000                                 | 39,406,080    | 154,125,000   | 91,540,680      | (52,155,000)  | 52,134,600    |
| 1985                                       | 218,690,000                                 | 27,029,280    | 163,405,000   | 82,293,180      | (55,285,000)  | 55,263,900    |
| 1986                                       | 231,798,000                                 | 13,907,880    | 173,200,000   | 72,488,880      | (53,593,000)  | 58,581,000    |
| 1987                                       | -   | -             | 183,565,000   | 62,096,880      | 183,565,000   | 62,096,880    |
| 1988                                       | -   | -             | 184,615,000   | 51,082,980      | 184,615,000   | 51,082,980    |
| 1989                                       | -   | -             | 206,280,000   | 39,406,080      | 206,280,000   | 39,406,080    |
| 1990                                       | -   | -             | 218,690,000   | 27,029,280      | 218,690,000   | 27,029,280    |
| 1991                                       | -   | -             | 231,798,000   | 13,907,880      | 231,798,000   | 13,907,880    |
| Totals                                     | \$1,808,323,000                             | \$721,130,435 | \$1,808,323,000   | \$1,263,627,335 | \$3,071,950,335   | \$542,496,900 |

Basis of preparation:

- (1) The five-year deferral of principal repayment on the restructured portion of First General Resolution Bonds assumes that the debt service payments currently scheduled in fiscal years 1977-1986 will be rescheduled to fiscal years 1982-1991, and that interest will continue to be paid semi-annually on the outstanding debt at the rate of 6% per annum.
- (2) The above schedule excludes capital reserve fund requirements.

MAC  
MEMOS

December 5, 1975

Memorandum to: Messrs. Rohatyn  
Tamagni  
Heineman

From: Park Benjamin

Re: MAC Distribution

Through December 5, 1975 my records show \$3,377,185,000 First Series MAC Bonds and Notes have been issued. The below listed amounts have been placed with the following categories:

|                                 |               |
|---------------------------------|---------------|
| Clearing House Banks            | \$991,815,000 |
| Other N.Y.C. Banks              | 10,750,000    |
| Savings Banks                   | 190,270,000   |
| Corporations                    | 20,700,000    |
| Life Insurance Companies        | 20,500,000    |
| N.Y. City Pension Funds         | 693,500,000   |
| N.Y. City Sinking Funds         | 180,000,000   |
| N.Y.S. Pension Funds            | 50,000,000    |
| N.Y.S. Insurance Fund           | 100,000,000   |
| State of New York               | 500,000,000   |
| In hands of public (Series A,B) | 619,050,000   |

I have also given these figures to Frank Smeal of Morgan Guaranty.

P.B.



Memo to staff from Patsy

I called Judith Thoyer to get the following information re bonds sold to date:

|                          |                 |                          |
|--------------------------|-----------------|--------------------------|
| Through October 17, 1975 | \$2,430,000,000 | (2 billion, 430 million) |
| Through October 20, 1975 | \$2,677,000,000 | (2 billion, 677 million) |
|                          | 250,000,000     | Note to N.Y. State       |
|                          | <hr/>           |                          |
|                          | \$2,927,000,000 | Total                    |

RECEIVED

PAUL, WEISS, RIFKIND, WHARTON & GARRISON  
345 PARK AVENUE NEW YORK, NEW YORK 10022

SEP 30 1975

DATE.....September 30, 1975.....

MEMORANDUM

To Finance Committee of MAC

From Judith R. Thoyer

cc: Mr. Jack Tamagni  
Mr. Herbert Elish  
Mr. Daniel Goldberg

Subject Status of Financings ✓

I spoke with the Controller's Office of the City of New York this morning as to their needs in early October. Sol Lewis advised me that because of additional cash having come in at the end of September (the causes of which will not be known until certain computer runs are made), the City will need the following amounts:\*

|            |   |               |
|------------|---|---------------|
| October 1  | - | \$78,000,000  |
| October 6  | - | \$27,000,000  |
| October 10 | - | \$63,000,000  |
| October 17 | - | \$439,000,000 |

Based upon these revised numbers, the \$133,725,000 left from the Bonds already sold, plus the approximately \$4,300,000 held by MAC from prior sales, will carry the City through October 9. To carry the City thereafter until October 16, another \$30,000,000 would be required.

Based upon the above, we would not do another closing until October 9, 1975. If, however, the State Pensions

---

\* These are less than the amounts originally requested by the City.

voluntarily agree to buy MAC Bonds, we would, of course, be prepared to do a closing as quickly as possible so that they would have no time to withdraw their decision. A closing with the State Pensions could be accomplished within days of the decision that they go ahead.

JRT