

MEMORANDUM

Date: 30 April 1985
To: Felix Rohatyn and Ed Kresky
From: Dennis Sullivan *Dennis*
Re: Alternative to Repurchase Agreements

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Over the past several weeks, the staff of the Corporation has been engaged in a review of prospective alternatives to the Corporation's current use of a limited amount of repurchase agreements for cash management purposes. In particular, we have sought to establish a banking arrangement which would provide the Corporation with the security and liquidity necessary to meet the Corporation's operational needs while, at the same time, providing the Corporation with an appropriate return on its funds. It would appear that these objectives could be met through the establishment of a limited number of Reserve Balance Accounts (RBAs) with the United States Trust Company. The process would work as follows:

- (1) With the exception of one (or possibly two) accounts to be converted to RBAs, the Corporation's accounts would be invested as fully as possible through the purchase of permitted securities without the use of repurchase agreements.
- (2) Those accounts where daily liquidity is essential would be invested through the RBA mechanism. Basically, a RBA is a fully liquid bank deposit account which produces a rate of return for the depositor. In our case, the RBA would be fully collateralized by permitted obligations as required by our statute and resolutions. The Corporation would have the security associated with the collateral provided by the U.S. Trust Company and the liquidity needed to meet the Corporation's operational needs. Under this arrangement, however, the collateral would be held by the U.S. Trust Company in a segregated account designated for the Corporation within the bank.

It is anticipated that initially the average balance of these RBAs would be approximately two to three million dollars and that the return would be approximately 100 basis points lower than the return on repurchase agreements. Based on an average daily balance of \$3 million, this arrangement would result in a differential of approximately \$30,000. This amount would be offset somewhat by lower investment transaction costs to the Corporation by not engaging in repurchase agreements.

30 April 1985
Rohatyn and Kresky
Page 2

- (3) In addition to meeting the Corporation's operational needs, repurchase agreements have also been used to invest funds prior to a debt service payment when suitable maturities are unavailable. Basically, this problem arises when the last business day before a debt service payment falls on a weekend. When this occurs, the Corporation is required to invest to a date for which there may not be a maturing permitted security. (Such a circumstance arises this June, but does not occur again until January 1987.) Under these circumstances, it may be appropriate to engage in an overnight repurchase agreement with the highest-rated of the commercial banks with whom the Corporation's investment guidelines permit repurchase agreements.

MEMORANDUM

Date: 29 April 1985
To: Distribution Attached
From: Stephen J. Weinstein
Re: Series 54 Closing Documents

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

In accordance with my Memorandum of April 22, 1985, enclosed for your review are the documents which we have prepared for the closing on May 9, 1985, as follows:

Nos. 4, 7, 8, 9, 11, 13, 14, 15, 16, 27, 28, 29 and 30, and the Table of Contents.

Please convey any comments to us no later than Friday, May 3, 1985.

Enclosures (14)

By Messenger

Distribution for Series 54 Closing Documents

Carter, Ledyard & Milburn

2 Wall Street
New York, New York 10005
Phone 732-3200

Robert R. Grew
MacCulloch M. Irving
Charles W. Tricomi

Hawkins, Delafield & Wood

67 Wall Street
New York, New York 10005
Phone 820-9300

Kathleen A. McDonough
Donald J. Robinson
Jack M. Schragar

Paul, Weiss, Rifkind, Wharton & Garrison

345 Park Avenue
New York, New York 10154
Phone 644-8000

Peter J. Barrett
James M. Dubin
Saul H. Finkelstein
Ronald M. Soiefer

White & Case

1155 Sixth Avenue
New York, New York 10036
Phone 819-8200

Jessie E. Durnford
Jeffrey L. Dunitz
Eugene W. Goodwillie, Jr.
Anthony F. Kahn

Municipal Assistance Corporation

One World Trade Center, Suite 8901
New York, New York 10048
Phone 775-0010

Stephen J. Weinstein

MEMORANDUM

Date: 29 April 1985
To: Bruce Balle
From: Steve Weinstein
Re: Closing Certificates -- Series 54

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Enclosed are 10 copies each of the certificates as to the official statement and as to per capita aid, drafted as we discussed, for signature by the Director of the Budget.

The closing is on the morning of May 9th, and the pre-closing on the morning of May 8th, so I would like to have the signed certificates in hand by May 7th.

I am sending duplicate sets by mail and by pouch, in the hope that at least one shipment reaches you in the near future.

Thanks for all your help.

MEMORANDUM

Date: 29 April 1985
To: Howard Kaden
From: Steve Weinstein
Re: Closing Certificate -- Series 54

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

Enclosed are 10 copies of the certificate of the City of New York for signature by the Deputy Comptroller and the Director of Management and Budget, dated May 9, 1985.


Please deliver the signed copies to me no later than Tuesday, May 7th, as the pre-closing will be on the morning of May 8th.

Thank you.

cc: Joe Moss

MEMORANDUM

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 29 April 1985
To: Beatrice L. Gilling
From: Stephen J. Weinstein 
Re: Vacation Leave Exchange

I am electing to exchange 37.5 hours of my accrued and unused vacation leave for payment in cash, in accordance with the Corporation's procedures.

This is my second such election during the current fiscal year, previously having exchanged 37.5 hours in January 1985.

As of May 8, 1985, the next pay day, my balance of vacation leave will be 270.5 hours, which will be reduced by this exchange to 233.0 hours.

Please prepare this payment by separate check.

MEMORANDUM

Date: 26 April 1985

To: Staff

From: T. Dennis Sullivan *TDS*

Re: Leave Provisions

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

This Memorandum provides a comprehensive summary of present policies with regard to accrual, utilization and payment for vacation and sick leave, maternity leave and compensatory time by members of the Corporation's staff.

Accrual of Vacation Leave. Vacation leave for persons employed by the Corporation less than five years is earned at the rate of 20 days (150 hours) annually (5.75 hours for 25 bi-weekly pay periods and 6.25 hours in the 26th pay period). Vacation leave for persons employed by the Corporation five years or more is earned at the rate of 25 days (187.5 hours) annually (7.25 hours for 25 bi-weekly pay periods and 6.25 hours in the 26th pay period).

Commencement of Vacation. Any employee may elect that paychecks scheduled to be delivered during an upcoming vacation be delivered in advance of commencement of the vacation. Such election may be made at any time up to two weeks prior to the start of the vacation by memorandum to the Corporation's payroll accountant, and such payment will be made on the Wednesday preceding the commencement of the vacation, provided that the employee has accrued and unused vacation leave in an amount equal to the proposed vacation time and provided that the employee submits time records covering the vacation period.

Exchange of Excess Leave. Any employee who has accrued and unused more than 20 days (150 hours) of vacation leave may elect to exchange up to 10 days (75 hours) of the excess for payment in cash each year. Such election may be made at any time by memorandum to the Corporation's payroll accountant, and such payment will be made at the end of the next succeeding pay period, provided that such exchange will not reduce the employee's accrued and unused vacation leave to less than 20 days (150 hours), and no more than two exchanges totalling ten days may be made by any employee within any one fiscal year.

Termination of Employment. Each employee will be paid in full for any vacation leave accrued and unused as of the final date of employment upon the final day of the pay period following such termination at the rate of the annual salary then in effect.

26 April 1985
Staff
Page 2

Sick Leave. Sick leave is earned at the rate of 15 days (112.5 hours) annually for all employees of the Corporation (4.25 hours for 25 bi-weekly pay periods and 6.25 hours in the 26th pay period). Sick leave may be utilized as accrued, but may not be exchanged for payment in any amount, and employees will not be paid for any unused balance upon termination of employment.

Disability Leave. An employee who has been employed by the Corporation for at least one year and who is absent because of a personal illness or disability may be granted disability leave at half pay at the discretion of the Executive Director at the rate of 75 hours for each six months of completed employment up to a maximum of 600 hours. All other credits for vacation and sick leave and compensatory time must be exhausted before such disability leave can become available. The granting of this disability leave may be conditioned upon such evidence of the employee's intention to return to work and documentation of the employee's illness or disability as the Executive Director may reasonably require.

Maternity Leave. Disabilities resulting from pregnancy or childbirth are treated the same as other personal disabilities. During the period of actual disability, a female employee may apply her unused vacation and sick leave and compensatory time to her absence and, in addition, may be granted disability leave at half pay by the Executive Director, subject to the standards established for disability leave.

Compensatory Time. In instances when employees work in excess of the Corporation's regular hours beyond the levels reasonably required by their responsibilities, and the amount of such additional time is substantial or the hours extraordinary (late nights and weekends), employees may seek authorization of compensatory time. They may do so by entering the hours and the circumstances on the time record for that particular pay period. The amount approved will depend upon the number of hours, the time of day and the nature of the work, in the judgment of the officer approving the time record. Approved compensatory time may be applied by an employee to hours not worked during that or a following pay period until termination of employment, when any unused balance will be extinguished.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

Via Messenger

Via Certified Mail No. P17-2675782

25 April 1985

Mr. Leo D. Rosenstein
5355 Henry Hudson Parkway
Bronx, New York 10471

Re: Claim No. 01937 (Filed April 9, 1985; Hearing May 1, 1985)
Series 25 Bond Numbers 25-00-7872 and 25-00-23949

Dear Mr. Rosenstein:

This letter is in response to the claim referenced above which you recently filed in the Civil Court of the City of New York (Small Claims Part, Bronx County), in which you seek \$779.38 plus interest, together with costs, from the Municipal Assistance Corporation For The City of New York, claiming that the Corporation "did not pay me interest on my bonds to date of redemption."

In a telephone call to you yesterday, the Corporation's Executive Director, Mr. T. Dennis Sullivan II, requested more specific information about your claim. You indicated that you had held two of the Corporation's Series 25 Bonds bearing interest at the annual rate of 10.75%, each in coupon form and in the principal amount of \$5,000 (No. 25-00-7872 and No. 25-00-23949). You said that you had submitted the two coupons dated January 1, 1985 for payment by the Chase Manhattan Bank, as Paying Agent for those bonds, and that in February the coupons had been returned to you unpaid with a stamp affixed to them indicating that the bonds had been redeemed on July 1, 1984. You reported that you re-submitted the unpaid coupons, along with the redeemed bonds themselves, on February 15, 1985, and that the bank on March 22, 1985 paid you the \$5,000 principal amount of each of the redeemed bonds but not the January 1985 coupon

25 April 1985
Mr. Leo D. Rosenstein
Page 2

amounts. You are now seeking to recover interest on the two redeemed bonds from July 1, 1984 to March 22, 1985. Mr. Sullivan explained that you were not due any interest beyond the July 1, 1984 coupon on those bonds because they had been redeemed on that date, and that we would send you a written explanation.

The Series 25 Bonds were issued in October 1980 in the aggregate principal amount of \$174,705,000, as authorized by the Corporation's Series 25 Resolution adopted September 30, 1980, and the Second General Bond Resolution adopted November 25, 1975, which contain the terms which govern those bonds. The final maturity date of the Series 25 Bonds is July 1, 2000. However, the Series 25 Bonds are also subject to redemption prior to maturity at par (plus accrued interest to the date of redemption) by operation of mandatory sinking fund requirements on July 1 in each of the years 1982 through 1999 in varying principal amounts, with payment of the balance of the principal amount at maturity on July 1, 2000. These mandatory sinking fund provisions are contained in the resolutions authorizing the issuance and are set forth on the face of each bond. Currently, the Series 25 Bonds are outstanding in the aggregate amount of \$155,725,000, a total of \$18,980,000 having been redeemed through sinking fund payments in 1982, 1983 and 1984.

These sinking fund provisions are essential terms of the obligations, and are printed on the bonds themselves and contained in the authorizing resolutions, the official statement circulated in connection with the initial sale of the bonds by the Corporation and the approving opinion of the Corporation's Bond Counsel -- Hawkins, Delafield & Wood. As the applicable terms expressly provide, after notice of redemption has been given, interest ceases to accrue "from and after the date so fixed for redemption."

Your two Series 25 Bonds were selected by lot for sinking fund redemption on July 1, 1984, as part of the \$12,030,000 sinking fund requirement for that date. Therefore, you were entitled to payment of all coupons on your bonds only through July 1, 1984, in addition to repayment of your principal, and not to any interest for any period after that date.

Because you held your bonds in coupon form, the only way in which the Corporation could notify you of the sinking fund redemption was by publication of newspaper notices, as

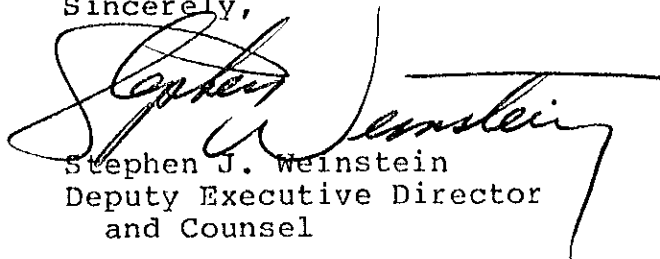
25 April 1985
Mr. Leo D. Rosenstein
Page 3

required by the governing resolution provisions. The Corporation has records only of the names and addresses of the owners of its bonds held in registered form, in which case it provides individual notice by mail. The Corporation makes its bonds available in either registered or coupon form, as the holder chooses, and permits changing from one form to the other at the expense of the Corporation. The Corporation published the required notices regarding the July 1, 1984 sinking fund installments listing the number of each bond to be redeemed on that date, in eight pages of the Wall Street Journal on May 28 and June 6, 1984. The published notices included instructions on submitting the bonds for payment and stated that interest would cease to accrue on July 1, 1984, and listed the numbers of your two bonds in question.

Mr. Sullivan and other members of our staff have discussed these provisions with you previously. Without question, bonds issued by the Corporation do not in any event continue to earn interest after their date of redemption, whether at final maturity or prior to that time by operation of mandatory sinking fund provisions, and all coupons subsequent to the redemption date become void, regardless of the date on which the bondholder actually presents the bonds or coupons for payment. The bonds, the legal opinions, the authorizing resolutions and the offering documents clearly so provide, as we intend to present to the Court. Accordingly, the Corporation's obligations on the two Series 25 Bonds in question have been satisfied in full, and no amount is presently owing to you from the Corporation.

I hope that this explanation is helpful to you.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

cc: Hawkins, Delafield & Wood
Paul, Weiss, Rifkind, Wharton & Garrison

P17 2675782

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

SENT TO
Leo D. Rosenstein
STREET AND NO.
5355 Henry Hudson Pkwy
CITY AND ZIP CODE
Bronx, N.Y. 10471

POSTAGE	\$ 39
CERTIFIED FEE	75
SPECIAL DELIVERY	
RESTRICTED DELIVERY	
OPTIONAL SERVICES	
RETURN RECEIPT SERVICE	70
SHOW TO WHOM AND DATE DELIVERED	
SHOW TO WHOM, DATE AND ADDRESS OF DELIVERY	
SHOW TO WHOM, DATE DELIVERED WITH RESTRICTED DELIVERY	
CLASS OF DELIVERY WITH RESTRICTED DELIVERY	

TOTAL POSTAGE AND POSTMASTER'S FEES \$ 184



PS Form 3800, Apr. 1976

PS Form 3811, Dec. 1980
RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, 3, and 4.
Add your address in the "RETURN TO" space on reverse.

(CONSULT POSTMASTER FOR FEES)

1. The following service is requested (check one).
 Show to whom and date delivered —¢
 Show to whom, date, and address of delivery.. —¢

2. **RESTRICTED DELIVERY** —¢
 (The restricted delivery fee is charged in addition to the return receipt fee.)

TOTAL \$ _____

3. **ARTICLE ADDRESSED TO:**
 Leo D. Rosenstein
 5355 Henry Hudson Parkway
 Bronx, NY 10471

4. TYPE OF SERVICE: <input type="checkbox"/> REGISTERED <input type="checkbox"/> INSURED <input checked="" type="checkbox"/> CERTIFIED <input type="checkbox"/> COD <input type="checkbox"/> EXPRESS MAIL	ARTICLE NUMBER P17 - 2675782
---	--

(Always obtain signature of addressee or agent)

I have received the article described above.

SIGNATURE Addressee Authorized agent
Leo D. Rosenstein

5. **DATE OF DELIVERY**
APR 27 1985

6. **ADDRESSEE'S ADDRESS** (Only if requested)
 [Postmark: NEW YORK NY APR 27 1985]

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S INITIALS**
 [Initials]

1. If you want to send a letter, check the postage stamp on the left portion of the address label or on the back of the envelope, leaving the receipt attached, and place the article at a post office service window or at your post office. The article must be properly addressed.
2. If you do not want this receipt, detach the stamp and return it to the post office at the time of mailing. If you do not want this receipt, detach and retain the receipt, and mail the article in a separate envelope. Write the article number and your name and address on a separate sheet of paper and attach it to the front of the envelope. If you do not want this receipt, detach and retain the receipt, and mail the article in a separate envelope. Write the article number and your name and address on a separate sheet of paper and attach it to the front of the envelope. If you do not want this receipt, detach and retain the receipt, and mail the article in a separate envelope. Write the article number and your name and address on a separate sheet of paper and attach it to the front of the envelope.
3. If you want to send a letter, check the postage stamp on the left portion of the address label or on the back of the envelope, leaving the receipt attached, and place the article at a post office service window or at your post office. The article must be properly addressed.
4. If you do not want this receipt, detach the stamp and return it to the post office at the time of mailing. If you do not want this receipt, detach and retain the receipt, and mail the article in a separate envelope. Write the article number and your name and address on a separate sheet of paper and attach it to the front of the envelope. If you do not want this receipt, detach and retain the receipt, and mail the article in a separate envelope. Write the article number and your name and address on a separate sheet of paper and attach it to the front of the envelope.
5. If you want to send a letter, check the postage stamp on the left portion of the address label or on the back of the envelope, leaving the receipt attached, and place the article at a post office service window or at your post office. The article must be properly addressed.



UNITED STATES POSTAL SERVICE
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, \$300

SENDER INSTRUCTIONS
Print your name, address, and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits.
- Otherwise affix to back of article.
- Enclose article "Return Receipt Requested" adjacent to number.

RETURN TO



Stephen J. Weinstein, Esq.
(Name of Sender)
MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK
(Street or P.O. Box)
1 World Trade Center/Suite 8901
NYC 10048
(City, State, and ZIP Code)

DISCOUNT MESSENGER & TRUCKING SERVICE

F. OCAÑO 371 8000 DATE 1/25 197

DECLARED VALUATION _____ SERVICE FOR _____
 ADDRESS 1621 M.A.K. ROOM 8901
 ATTENTION OF D-777

ANSWER REC'D BY 642481 TIME OUT _____ TIME RET'D _____ MOTOR SERVICE _____ MESS. NO. 112

FOR CUSTOMER'S ACCOUNTING		CHARGES	
Dept.		Service	
Client		Phone <input type="checkbox"/> Postage <input type="checkbox"/>	
Job #		CR. Ins. Add'l	.25c
Ordered by		Answer	
House Charge		Add'l Stops	
Client Charge		Waiting Time	
		Taxi	
		Carfare	
		Total Chgs.	

P.U. Name _____

Address _____

Signature _____

DELIVERY Name LEO D. ROSENSTEIN

Address 5312 - Harry Hudson Plkwy

Signature D. Ocaño

DELIVERY Name Leo D. Roseman

Address _____

Signature _____

EXEMPT TO CONDITIONS AND LIMITATIONS ON REVERSE SIDE

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

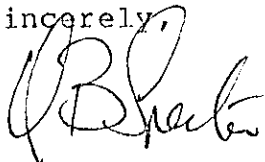
25 April 1985

Mr. Robert A. Laut
37 Thorndale Road
Slingerlands, New York 12159

Dear Mr. Laut:

In response to your letter dated April 16, 1985, the Corporation does not discuss market prices of its bonds in the secondary market. I suggest you check with another broker who specializes in New York State Municipal Securities.

Sincerely,



Quentin B. Spector
Treasurer

Robert A. Laut
37 Thorndale Road
Slingerlands, New York 12159
P. O. Box 278

April 16, 1985

Municipal Assistance Corporation
For the City of New York
One World Trade Center
New York, N. Y. 10048

Gentlemen:

On August 16, 1984 I purchased fifteen (15)
bonds of- MAC NY Series 51 -registered bonds
9.3% due 07-01-96.

As I am having a discussion of the price the
brokers office charged me for these bonds I
would appreciate your forwarding to me your
recorded market price as of August 16, 1984
of the respective bonds stated above.

Thank you.

Sincerely yours,
Robert A. Laut
Robert A Laut

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

23 April 1985

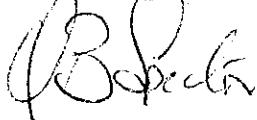
Mrs. Gertrude Kritzler
1205 Bahama Bend, A-1
Coconut Creek, Florida 33066

Dear Mrs. Kritzler:

This is in response to your letter dated April 15, 1985, requesting information on registering bonds and collecting interest payments. Simply type your name and address with the zip code and your tax identification number (i.e. your social security number) on a card. State on the card that you want these bonds registered. Send this information along with your bonds and the reattached coupon(s) to your daughter, registered mail return receipt request. Your daughter can bring the bonds with the card to the United States Trust Company (our trustee) at 37 Wall Street, New York, New York 10005, Lower Banking Level where she can also collect the interest payment.

If you have any further questions please feel free to contact me or Vickie Standifer.

Sincerely,



Quentin B. Spector
Treasurer

April 15, 1985

Quentin B. Spector
One World Trade Center, Suite 8901
New York, NY 10048

Dear Mr. Spector, Re: MacBond #63046

You suggested that I send the coupon and the bond to U.S. Trust Co. However, I do have two bonds so I wonder if I should have both bonds brought to them?

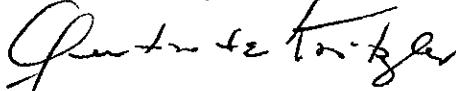
I have a daughter in New York whom I could ask to bring it for me with the coupon. Would she be able to collect the coupon and interest from them? - and have them automatically register both bonds???

It seems to me that if you think it is better that way then I'll ask her to do it for me.

I'd like to straighten out this problem;.

Thank you for your help in this matter.

Sincerely yours,



GERTRUDE KRITZLER

1205 Bahama Bend-A1
Coconut Creek, Fla. 33066

MEMORANDUM

Date: 22 April 1985
To: Distribution Attached
From: Stephen J. Weinstein
Re: Series 54 Closing Documents

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

The closing for the sale of the Corporation's Series 54 Bonds is scheduled to be held at our office on Thursday, May 9, 1985 at 9:00 A.M. The pre-closing will be on Wednesday, May 8, 1985 at 10:00 A.M., also at our office.

Enclosed is a draft Table of Contents listing the closing documents. The documents should be prepared by the respective firms as indicated and circulated for review and comment to the others on the attached distribution list:

<u>Firm</u>	<u>Document Number</u>
Carter, Ledyard & Milburn	17, 24
Hawkins, Delafield & Wood	6, 19, 20, 21, 22, 23
Paul, Weiss, Rifkind, Wharton & Garrison	18
White & Case	25, 26, 32, 33

All of the other closing documents not yet in final form will be prepared or obtained by the Corporation.

Please circulate drafts of the documents for which you are responsible to the persons on the attached distribution list no later than Monday, April 29, 1985. Please submit all of your comments on the circulated documents to the respective drafters no later than Friday, May 3, 1985.

All of the closing documents in final form should be delivered to our office no later than 10:00 A.M. on Wednesday, May 8, 1985, for the pre-closing to be held at that time. Please provide 10 originals and 30 copies of each document.

Attachment

Enclosure

By Messenger

Distribution for Series 54 Closing Documents

Carter, Ledyard & Milburn
2 Wall Street
New York, New York 10005
Phone 732-3200

Robert R. Grew
MacCulloch M. Irving
Charles W. Tricomi

Hawkins, Delafield & Wood
67 Wall Street
New York, New York 10005
Phone 820-9300

Kathleen A. McDonough ✓
Donald J. Robinson ✓
Jack M. Schrager

Paul, Weiss, Rifkind, Wharton & Garrison
345 Park Avenue
New York, New York 10154
Phone 644-8000

Peter J. Barrett
James M. Dubin
Saul H. Finkelstein ✓
Ronald M. Soiefer

White & Case
1155 Sixth Avenue
New York, New York 10036
Phone 819-8200

Jessie E. Durnford ✓
Jeffrey L. Dunitz ✓
Eugene W. Goodwillie, Jr.
Anthony F. Kahn

Municipal Assistance Corporation
One World Trade Center, Suite 8901
New York, New York 10048
Phone 775-0010

Stephen J. Weinstein

**MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK**

**\$201,770,000
Series 54 Bonds**

TABLE OF CONTENTS

Basic Documents and Certifications

1. Copy of the Final Official Statement of the Municipal Assistance Corporation For The City of New York (the "Corporation") dated April 18, 1985 relating to the Series 54 Bonds (the "Official Statement").
2. Copy of the Preliminary Official Statement of the Corporation dated April 15, 1985 relating to the Series 54 Bonds.
3. Conformed copy of the Bond Purchase Agreement dated April 18, 1985 executed by the Corporation and Salomon Brothers Inc for the Representatives (the "Representatives") of the Underwriters named therein (the "Underwriters").
4. Extract of the Minutes of the Board of Directors Meeting held on April 18, 1985 showing adoption of the Series 54 Resolution authorizing the issuance, sale and delivery of the Series 54 Bonds and other matters related thereto.
5. Copy of the Second General Bond Resolution.
6. Copy of the Series 54 Resolution.
7. Approval of the terms of the sale by the Comptroller of the State of New York (the "State").
8. Order of the Corporation as to the authentication and delivery to the Underwriters of the Series 54 Bonds.
9. Certificate of the Director of the Budget of the State with respect to the Official Statement.
10. Certificate of the Commissioner of Taxation and Finance of the State with respect to the Official Statement.
11. Certificate of the Mayor and the Comptroller of the City of New York (the "City") or appropriate Deputies with respect to the Official Statement.

12. Certificate of the Commissioner of Taxation and Finance of the State with respect to the amounts of Sales Tax and Stock Transfer Tax.
13. Certificate of the Director of the Budget of the State with respect to the amount of Per Capita Aid.
14. Certificate of the Corporation as to members, officers, terms of office and other details of the Corporation, including by-laws, minutes, certain resolutions, specimen bonds, litigation, signatures and certificates.
15. Arbitrage Certificate of the Corporation.
16. Certificate of the Treasurer of the Corporation.
17. Certificate as to acceptance of duties of Trustee by the United States Trust Company of New York (the "Trust Company") and showing authority for Authorized Officers to authenticate the Series 54 Bonds.

Opinions

18. Opinion of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation, addressed to the Representatives, together with reliance opinion addressed to the Trust Company.
19. Approving Opinion as to the Series 54 Bonds of Hawkins, Delafield & Wood, Bond Counsel to the Corporation, addressed to the Corporation, together with reliance opinion addressed to the Underwriters and the Trust Company.
20. Opinion of Hawkins, Delafield & Wood, addressed to the Underwriters, as to the Official Statement.
21. Opinion of Hawkins, Delafield & Wood, addressed to the Corporation, as to arbitrage.
22. Opinion of Hawkins, Delafield & Wood, addressed to the Corporation, as to the 1978 State Covenant.
23. Opinion of Hawkins, Delafield & Wood, addressed to the Corporation, as to the defeasance of the 1977 Series GG and II Bonds and the Series 34 and 35 Bonds of the Corporation.
24. Opinion of Carter, Ledyard & Milburn, Counsel to the Trust Company, with respect to the Trust Company's authority to act as Trustee, and authentication of the Series 54 Bonds, together with reliance opinion addressed to the Underwriters.

25. Opinion of White & Case, Counsel to the Underwriters, addressed to the Underwriters.
26. Blue Sky Memorandum of White & Case, addressed to the Underwriters.

Proceeds

27. Order as to deposit and investment of the Series 54 Bond Proceeds and irrevocable instructions as to the establishment of the 1977 Series GG and II and the Series 34 and 35 Trust Funds.
28. Certificate of the Trust Company as to receipt of proceeds of sale of the Series 54 Bonds.
29. Certificate of the Trustee respecting defeasance of the 1977 Series GG and II and the Series 34 and 35 Bonds of the Corporation.
30. Receipt of the Underwriters for the Series 54 Bonds and the Closing Documents.

Miscellaneous

31. Evidence of ratings of the Series 54 Bonds.
32. Copy of Advertisement.
33. Memorandum of Closing.

MEMORANDU

Date: 22 April 1985
To: Beatrice L. Gilling
From: Stephen J. Weinstein
Re: Susan A. Weil

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

This is to direct you to adjust the payroll records of the Corporation to reflect the resignation of Ms. Susan A. Weil from the position of Assistant Counsel and Secretary, effective at the close of business on April 24, 1985.

Please make the necessary arrangements to pay Ms. Weil for unused annual leave on the first pay day following her resignation -- May 8, 1985. On that date, Ms. Weil will have accrued but unused annual leave totaling 100.75 hours.

Accordingly, Ms. Weil should be paid for a total of 100.75 hours on May 8, 1985, which should be made in two payments -- one covering 75 hours and one covering the balance of 25.75 hours.

cc: Susan A. Weil

MUNICIPAL ASSISTANCE CORPORATION

Time Record

Name SUSAN Weil

For the Period 3/28 - 4/10/85

DATE OF ABSENCE	HOURS NOT WORKED		
	SICK LEAVE	ANNUAL LEAVE	COMP TIME LEAVE
<u>April 5</u>			<u>3.5</u>
TOTAL HOURS			

Employee's Signature Susan A Weil

Date 4/10/85

	FOR ACCOUNTING USE ONLY		
	SICK LEAVE	ANNUAL LEAVE	COMP TIME LEAVE
Starting Balance	<u>34.75</u>	<u>89.25</u>	<u>10.-</u>
Used This Period	<u>-</u>	<u>-</u>	<u>3.5</u>
Added This Period	<u>4.25</u>	<u>5.75</u>	<u>-</u>
Ending Balance	<u>39.-</u>	<u>95.-</u>	<u>6.5</u>
Remarks			

Monday = 0

Approved _____

Date _____

39.00 + 5.75 = 44.75 = 100.45 - 75 = 25.45 as 5-8-85

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

offici Chen

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

22 April 1985

Michael Baty
Ernst & Whinney
1400 One Commerce Square
Memphis, Tenn. 38103

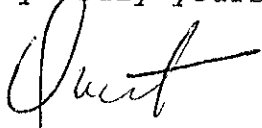
Dear Mike:

As discussed last week, we would like Ernst & Whinney to verify the defeasance of the Series FF, II, 34 and 35 Bonds refunded by the Series 54 Bonds. Enclosed are the following documents:

1. The Final O.S. for Series 54.
2. Salomon Brothers Series 54 Tabulations.
3. A copy of the SLGS subscription for the Series FF, II, 34 & 35 Escrow funds.

Please send the report to Howard Mischell, Vice President at Moody's Investors Services. The compensation was agreed to at \$1,000. Thank you.

Very truly yours,



Quentin B. Spector
Treasurer

Enclosures

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

19 April 1985

Mr. Howard Mischel
Vice President
Municipal Department
MOODY'S INVESTORS SERVICE, INC.
99 Church Street
New York, N.Y. 10007

Re: Series 54 Bonds

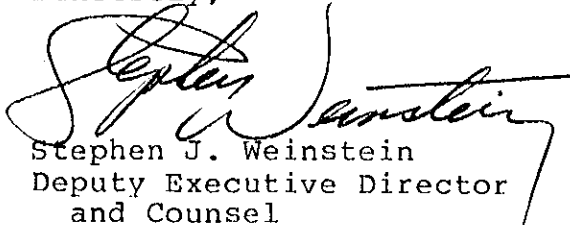
Dear Mr. Mischel:

In connection with the application of the Municipal Assistance Corporation for a rating of its Series 54 Bonds, which were sold on April 18, 1985 and are scheduled to be issued on May 9, 1985, you requested documents regarding the escrow accounts to be established to effect the refunding of the Corporation's Series GG and II and Series 34 and 35 Bonds to which the proceeds of the Series 54 Bonds are to be applied.

I am enclosing, for your review, copies of: the Series 54 Resolution as adopted; the Bond Purchase Agreement as signed; the Final Official Statement dated April 18, 1985, which includes as Exhibit C the form of opinion of Bond Counsel as to defeasance; the Corporation's irrevocable instructions to the Trustee as to the escrow accounts in draft form; and the Trustee's certificate regarding defeasance in draft form.

After the closing on May 9, 1985, we will furnish you with copies of each of these documents in final form.

Sincerely,


Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba

Enclosures (5)

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

19 April 1985

Ms. Maury Cooper
Rating Officer
Debt Rating Services Division
STANDARD & POOR'S CORPORATION
25 Broadway
New York, N.Y. 10004

Re: Series 54 Bonds

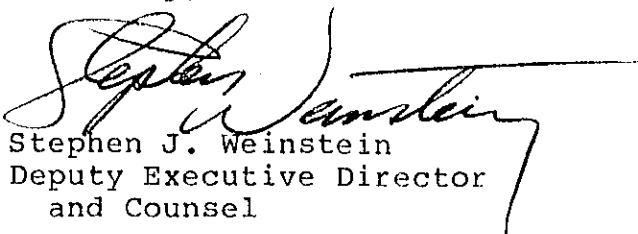
Dear Ms. Cooper:

In connection with the application of the Municipal Assistance Corporation for a rating of its Series 54 Bonds, which were sold on April 18, 1985 and are scheduled to be issued on May 9, 1985, you requested documents regarding the escrow accounts to be established to effect the refunding of the Corporation's Series GG and II and Series 34 and 35 Bonds to which the proceeds of the Series 54 Bonds are to be applied.

I am enclosing, for your review, copies of: the Series 54 Resolution as adopted; the Bond Purchase Agreement as signed; the Final Official Statement dated April 18, 1985, which includes as Exhibit C the form of opinion of Bond Counsel as to defeasance; the Corporation's irrevocable instructions to the Trustee as to the escrow accounts in draft form; and the Trustee's certificate regarding defeasance in draft form.

After the closing on May 9, 1985, we will furnish you with copies of each of these documents in final form.

Sincerely,


Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba

Enclosures (5)

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

19 April 1985

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

Re: Series 54 Bond Printing

Dear Kay:

This letter is to authorize you to print the Series 54 Bonds of the Municipal Assistance Corporation, in accordance with the following specifications.

The bonds are to be in registered form only, in blank denomination, with the following maturities and interest rates, each maturity to be numbered consecutively and separately. A total of 60,000 certificates is to be printed in the quantities shown below.

<u>Due July 1</u>	<u>Rate</u>	<u>Quantity</u>
1994	8 %	2,500
1995	8-1/4	2,500
1996	8-1/2	2,500
1997	8.70	2,500
1998	8.90	3,000
1999	9	3,000
2000	9.10	3,500
2001	9-1/4	3,500
2008	9.375	37,000

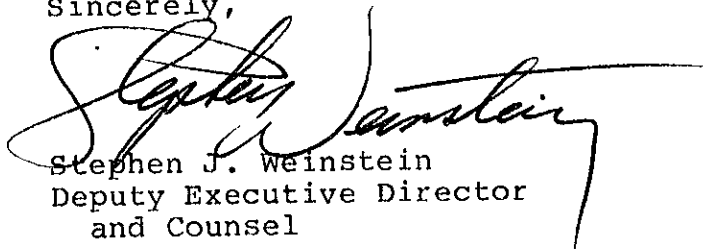
The Series 54 Bonds should be delivered to the United States Trust Company of New York, 770 Broadway (7th Floor), New York, New York (Attention: Mr. Kenneth Mardner), no later than 10:00 A.M. on Friday, May 3, 1985.

19 April 1985
Ms. Catherine E. Hutcheson
Page 2

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

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

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba

cc: Gerard F. Fernandez, Jr., Esq.
Hawkins, Delafield & Wood

Mr. Pat Santivaschi
United States Trust Company of New York

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

19 April 1985

Mr. Howard Mischel
Vice President
Municipal Department
MOODY'S INVESTORS SERVICE, INC.
99 Church Street
New York, N.Y. 10007

Re: Series 54 Bonds

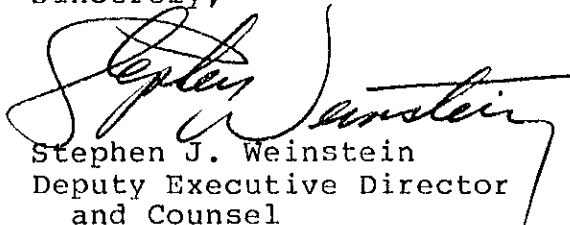
Dear Mr. Mischel:

In connection with the application of the Municipal Assistance Corporation for a rating of its Series 54 Bonds, which were sold on April 18, 1985 and are scheduled to be issued on May 9, 1985, you requested documents regarding the escrow accounts to be established to effect the refunding of the Corporation's Series GG and II and Series 34 and 35 Bonds to which the proceeds of the Series 54 Bonds are to be applied.

I am enclosing, for your review, copies of: the Series 54 Resolution as adopted; the Bond Purchase Agreement as signed; the Final Official Statement dated April 18, 1985, which includes as Exhibit C the form of opinion of Bond Counsel as to defeasance; the Corporation's irrevocable instructions to the Trustee as to the escrow accounts in draft form; and the Trustee's certificate regarding defeasance in draft form.

After the closing on May 9, 1985, we will furnish you with copies of each of these documents in final form.

Sincerely,


Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba

Enclosures (5)

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

19 April 1985

Ms. Maury Cooper
Rating Officer
Debt Rating Services Division
STANDARD & POOR'S CORPORATION
25 Broadway
New York, N.Y. 10004

Re: Series 54 Bonds

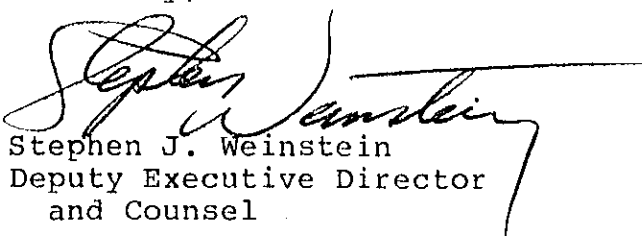
Dear Ms. Cooper:

In connection with the application of the Municipal Assistance Corporation for a rating of its Series 54 Bonds, which were sold on April 18, 1985 and are scheduled to be issued on May 9, 1985, you requested documents regarding the escrow accounts to be established to effect the refunding of the Corporation's Series GG and II and Series 34 and 35 Bonds to which the proceeds of the Series 54 Bonds are to be applied.

I am enclosing, for your review, copies of: the Series 54 Resolution as adopted; the Bond Purchase Agreement as signed; the Final Official Statement dated April 18, 1985, which includes as Exhibit C the form of opinion of Bond Counsel as to defeasance; the Corporation's irrevocable instructions to the Trustee as to the escrow accounts in draft form; and the Trustee's certificate regarding defeasance in draft form.

After the closing on May 9, 1985, we will furnish you with copies of each of these documents in final form.

Sincerely,


Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW:bba

Enclosures (5)

By Messenger

MEMORANDUM

Date: 18 April 1985
To: Ronald M. Soiefer and Jack M. Schragger
From: Stephen J. Weinstein
Re: Small Claim

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

We should consider our response to the attached claim of Leo D. Rosenstein, filed April 9, 1985, with a hearing date of May 1, 1985.

Attachment

1985

61937

S. C. B.

~~1984~~

Civil Court of the City of New York
850 Walton Avenue at 161st Street, Bronx, N. Y. 10451
Small Claims Part, County of The Bronx
Telephone: (212) 590-3569

To Municipal Assistance Corp
for the City of N.Y.
1 World Trade Center
New York, N.Y. 10048 Suite 8901

Leo D. Rosenst 5355 Henry Hudson Pkwy Bronx, N.Y. 10471,

ask judgment in this Court against you for \$ 779³⁸ + interest 3-22-85 together with costs upon the following claim:
Did not pay me interest on my MAC bonds to date of redemption.

There will be a hearing upon this claim on APR 9 1985, at 6:30 P.M.
in the Small Claims Part Courtroom, 850 Walton Avenue, at 161st Street, County of The Bronx.

You must appear at the time and place above indicated and present your defense and any counterclaim you may desire to assert at the hearing. Unless you do, judgment will be entered against you by default. If your defense or counterclaim, if any, is supported by witnesses, account books, receipts, or other documents, you should produce them at the hearing. Before the hearing, you may request the clerk to issue subpoenas without fee.

If you admit the claim, but desire time to pay, you must appear personally on the day set for the hearing, state to the court that you desire time to pay and show your reasons for desiring time to pay.

Corporation defendants may appear by an officer or major stockholder, but Voluntary Associations must appear by attorney. See Section 321A—C.P.L.&R.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Court, this
day of APR 9 1985, 1985.

[Signature]
Chief Clerk

Claimant _____

Address and Telephone _____

If you desire a jury trial, you must, at least one day before the day upon which you have been notified to appear, file with the clerk of the court, a demand for a trial by jury. At that time, you will have to make an affidavit specifying the issues of fact which you desire to have tried by a jury, and stating that such trial is desired, and demanded in good faith. To obtain a jury trial, you will have to pay a jury fee of Twenty-Five Dollars, and you will have to file an undertaking in the sum of \$50.00 in cash, to secure the payment of any costs that may be awarded against you. Under the law, the Court may award \$25.00 additional cost to the plaintiff if a jury trial is demanded, and a verdict is rendered against you.

BRING THIS NOTICE WITH YOU AT ALL TIMES

Whenever a judgment has been rendered against a person, partnership, firm or corporation in other than its true name and that judgment has remained unpaid for thirty-five days after receipt by the judgment debtor of notice of its entry, the aggrieved judgment creditor shall be entitled to commence an action in Small Claims Court or in any other court of otherwise competent jurisdiction against such judgment debtor, notwithstanding the jurisdictional limit of the court, for the sum of the original judgment, costs, reasonable attorney fees, and one hundred dollars.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

SPECIAL MEETING

BOARD OF DIRECTORS

Thursday, April 18, 1985

2:30 P.M.

Lazard Freres & Company

1 Rockefeller Plaza/32nd Floor Conference Room

New York, New York

AGENDA

1. Adoption of the Minutes of the Meeting of the Board of Directors held February 14, 1985.
2. Adoption of Series 54 Resolution and authorization of the distribution of Official Statement.
3. Approval of Fee Schedule for Legal Services.*
4. Approval of Investment Advisory Contract.*
5. Other Business.

*See memorandum from the Executive Director.

MEMORANDUM

17 April 1985

Date:

Board of Directors

To:

Dennis Sullivan *D. Sullivan*

From:

April 18th Meeting

Re:

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

In addition to the adoption of the Series 54 Resolution and the authorization of the distribution of the Official Statement, there are two additional items for consideration at the April 18th meeting:

- (1) Adjustments in the Fee Schedule for Legal Services; and
- (2) Approval of the Investment Advisory Contract with Citibank.

Legal Services

The staff and the members of the Administration Committee have conducted a review of the existing fee structure for legal services and recommend the following adjustments to be effective January 1, 1985:

<u>Categories</u>	<u>Present</u>	<u>Proposal</u>	<u>Change</u>
First and Second Year Associates	\$ 85	\$ 90	\$ +5
Third and Fourth Year Associates	105	110	+5
Fifth Year and Over Associates	115	130	+15
Partners Less Than Ten Years	140	155	+15
Partners Ten or More Years	175	175	0
Effect on Billings (Assuming 1984 Hourly Array)			+8%

The categories recommended for increases have basically remained unchanged since January 1982. For your information, I am enclosing a table summarizing the charges and hours for legal services provided by both Paul, Weiss and Hawkins for fiscal years 1976 through 1984.

17 April 1985
Board of Directors
Page 2

Investment Advisory Contract

The Corporation's contract with Citibank to provide investment advisory services (initially awarded in June 1983 for an eighteen month period) expired in December 1984 and was extended for a three-month period at the existing rates while a new contract was negotiated. Based on Citibank's excellent performance as the Corporation's Investment Advisor, the staff and the Chairman of the Corporation's Investment Committee recommend approval of a new contract with Citibank to expire April 1, 1986. The new contract would expand the scope of services to include credit monitoring of the Corporation's permitted dealers as well as the continuation of existing services including monthly reviews of the Corporation's investment activities. The new contract would provide for an annual fee of \$50,000 which represents a \$10,000 increase from the existing contract.

MUNICIPAL ASSISTANCE CORPORATION

RECORD OF CHARGES AND HOURS
FOR LEGAL SERVICES PROVIDED
BY GENERAL AND BOND COUNSEL

Fiscal Year	Paul, Weiss, Rifkind Wharton & Garrison		Hawkins, Delafield & Wood		Both Firms Combined	
	Professional Hours	Total Billings	Professional Hours	Total Billings	Professional Hours	Total Billings*
1976		\$ 1,448,004		\$ 984,699		\$ 2,432,703
1977		\$ 702,681		\$ 404,544		\$ 1,107,225
1978		\$ 384,749		\$ 431,641		\$ 816,390
1979	4,197	\$ 383,283	3,926	\$ 454,315	8,123	\$ 837,598
1980	1,331	\$ 123,676	2,182	\$ 221,279	3,513	\$ 344,955
1981	1,484	\$ 168,447	1,847	\$ 205,183	3,331	\$ 373,630
1982	1,074	\$ 121,624	1,827	\$ 220,360	2,901	\$ 341,984
1983	732	\$ 88,444	1,822	\$ 248,424	2,554	\$ 336,868
1984	893	\$ 121,398	1,380	\$ 188,923	2,273	\$ 310,321

*Including disbursements.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

FOR RELEASE: APRIL 16, 1985

CONTACT: T. DENNIS SULLIVAN
BETTY B. ALPERN

PUBLIC NOTICE

A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE MUNICIPAL ASSISTANCE CORPORATION WILL BE HELD ON THURSDAY, APRIL 18, 1985 AT 2:30 P.M. AT THE OFFICES OF LAZARD FRERES & CO., 1 ROCKEFELLER PLAZA, NEW YORK, NEW YORK 10022, 32nd FLOOR CONFERENCE.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

SPECIAL MEETING

BOARD OF DIRECTORS
Thursday, April 18, 1985
2:30 P.M.

Lazard Freres & Company
1. Rockefeller Plaza/32nd Floor Conference Room
New York, New York

AGENDA

1. Adoption of the Minutes of the Meeting of the Board of Directors held February 14, 1985.
2. Adoption of Series 54 Resolution and authorization of the distribution of Official Statement.
3. Approval of Fee Schedule for Legal Services.*
4. Approval of Investment Advisory Contract.*
5. Other Business.

*See memorandum from the Executive Director.

MEMORANDUM

17 April 1985

Date:

Board of Directors

To:

Dennis Sullivan *D. Sullivan*

From:

April 18th Meeting

Re:

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

In addition to the adoption of the Series 54 Resolution and the authorization of the distribution of the Official Statement, there are two additional items for consideration at the April 18th meeting:

- (1) Adjustments in the Fee Schedule for Legal Services; and
- (2) Approval of the Investment Advisory Contract with Citibank.

Legal Services

The staff and the members of the Administration Committee have conducted a review of the existing fee structure for legal services and recommend the following adjustments to be effective January 1, 1985:

<u>Categories</u>	<u>Present</u>	<u>Proposal</u>	<u>Change</u>
First and Second Year Associates	\$ 85	\$ 90	\$ +5
Third and Fourth Year Associates	105	110	+5
Fifth Year and Over Associates	115	130	+15
Partners Less Than Ten Years	140	155	+15
Partners Ten or More Years	175	175	0
Effect on Billings (Assuming 1984 Hourly Array)			+8%

The categories recommended for increases have basically remained unchanged since January 1982. For your information, I am enclosing a table summarizing the charges and hours for legal services provided by both Paul, Weiss and Hawkins for fiscal years 1976 through 1984.

17 April 1985
Board of Directors
Page 2

Investment Advisory Contract

The Corporation's contract with Citibank to provide investment advisory services (initially awarded in June 1983 for an eighteen month period) expired in December 1984 and was extended for a three-month period at the existing rates while a new contract was negotiated. Based on Citibank's excellent performance as the Corporation's Investment Advisor, the staff and the Chairman of the Corporation's Investment Committee recommend approval of a new contract with Citibank to expire April 1, 1986. The new contract would expand the scope of services to include credit monitoring of the Corporation's permitted dealers as well as the continuation of existing services including monthly reviews of the Corporation's investment activities. The new contract would provide for an annual fee of \$50,000 which represents a \$10,000 increase from the existing contract.

MUNICIPAL ASSISTANCE CORPORATION

RECORD OF CHARGES AND HOURS
FOR LEGAL SERVICES PROVIDED
BY GENERAL AND BOND COUNSEL

Fiscal Year	Paul, Weiss, Rifkind Wharton & Garrison		Hawkins, Delafield & Wood		Both Firms Combined	
	Professional Hours	Total Billings	Professional Hours	Total Billings	Professional Hours	Total Billings*
1976		\$ 1,448,004		\$ 984,699		\$ 2,432,703
1977		\$ 702,681		\$ 404,544		\$ 1,107,225
1978		\$ 384,749		\$ 431,641		\$ 816,390
1979	4,197	\$ 383,283	3,926	\$ 454,315	8,123	\$ 837,598
1980	1,331	\$ 123,676	2,182	\$ 221,279	3,513	\$ 344,955
1981	1,484	\$ 168,447	1,847	\$ 205,183	3,331	\$ 373,630
1982	1,074	\$ 121,624	1,827	\$ 220,360	2,901	\$ 341,984
1983	732	\$ 88,444	1,822	\$ 248,424	2,554	\$ 336,868
1984	893	\$ 121,398	1,380	\$ 188,923	2,273	\$ 310,321

*Including disbursements.

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

Minutes of the Special Meeting of the Board of Directors

February 14, 1985

The Special Meeting of the Board of Directors of the Municipal Assistance Corporation For The City of New York was held at 3:00 P.M. on Thursday, February 14, 1985, at the offices of Paul, Weiss, Rifkind, Wharton & Garrison, 345 Park Avenue, New York City.

The following Directors were present, constituting a quorum of the Board:

Felix G. Rohatyn, Chairman
Edward M. Kresky, Vice-Chairman
Kenneth J. Bialkin
Dick Netzer
Andrew P. Steffan
Robert C. Weaver

The following Representatives were present:

Jerome Belson
Carl H. Pforzheimer III

The following members of the Staff were present:

T. Dennis Sullivan II
Frances N. Higgins
Quentin B. Spector
Susan A. Weil
Stephen J. Weinstein

Also present by invitation of the Board were: James M. Dubin, Ronald M. Soiefer, Peter J. Barrett and Saul Finkelstein of Paul, Weiss, Rifkind, Wharton & Garrison, General Counsel to the Corporation; Donald J. Robinson and

February 14, 1985
MINUTES
Page 2

Jack M. Schrager of Hawkins, Delafield & Wood, Bond Counsel to the Corporation; Bernard Kabak of the State Special Deputy Comptroller's office; Michael Zino of the New York State Financial Control Board; Sandy Meltzer of the City Comptroller's office; Leslie Buch and Christine Stanton of the City of New York; and Gedale B. Horowitz and L. Eugene Crowley of Salomon Brothers Inc.

Adoption of Minutes

Upon motion duly made, seconded and unanimously carried, it was:

RESOLVED, that the Minutes of the Special Meeting of the Board of Directors held on January 18, 1985 be, and hereby are, adopted.

Quarterly Reports

Mr. Sullivan stated that the Corporation's quarterly financial statements had been published and that the personal services contracts report had been submitted to the Board. Mr. Spector reviewed the Corporation's quarterly investment report to the Board.

Future Financing Activities

Mr. Rohatyn noted that the Corporation is substantially ahead of schedule in meeting its commitments under the 1984 Memorandum of Agreement. He stated that, in addition to the amounts committed pursuant to the Memorandum of Agreement, additional monies may become available through releases from the capital reserve funds and through interest earnings on the Corporation's funds. He suggested that the Corporation should consider possible uses for the funds available in fiscal year 1989 and beyond, for which period there was no agreement in place. He suggested that releases from the capital reserve funds could be used for accelerated repayment of the Corporation's debt and that interest earnings could be used for City capital purposes.

Mr. Sullivan reviewed the amounts that could be made available, as outlined in his memo to the Board dated February 13, 1985.

(Mr. Bialkin joined the meeting at this point.)

Mr. Rohatyn noted that monies used to repay the Corporation's debt could have a significant effect on reducing the Corporation's future debt service. He also

noted that, since the capital reserve funds had been funded largely from the issuance of Corporation debt, releases from those funds should be used to repay that debt. He stated that under the 1984 Memorandum of Agreement, amounts made available for City operating budget purposes had been capped, and that all additional funds should be used for capital purposes, which purposes would be determined by the City and State.

Mr. Kresky stated that a possible use for such capital funds would be to provide low income housing for City residents.

Mr. Rohatyn noted that Salomon Brothers Inc had indicated, in a letter to the Corporation, that accelerating the repayment of the Corporation's debt would improve the ratings and market for the Corporation's bonds.

Mr. Bialkin noted that any potential uses of the monies provided to the City should be jointly decided upon by the City and State. He also noted that the Corporation should continue to take advantage of refundings when market conditions permitted.

Dr. Netzer noted that he believed that debt repayment should be the Corporation's first priority.

February 14, 1985
MINUTES
Page 5

Dr. Weaver noted that City infrastructure and housing needs were significant, and that any funds available should be used for these purposes and debt repayment.

Adjournment

There being no further business before the meeting, it was, upon motion duly made, seconded and unanimously carried, adjourned at 3:50 P.M.

Susan A. Weil
Secretary

MEMORANDUM

Date: 17 April 1985
To: Finance Committee
From: Quentin Spector and Frances Higgins FH
Re: In Defense of Repurchase Agreements

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

This memorandum strongly recommends that the Corporation's authority to engage in repurchase agreements ("repos") be preserved. This recommendation is based on three arguments:

- (1) Repurchase Agreements as employed by the Corporation are essentially purchases of permitted securities (as defined by the Resolutions) with a simultaneous commitment to resell at an agreed-upon price on the next business day. This form of transaction is fundamentally different from many banking arrangements that fall under the umbrella term "repurchase agreement." Without exception investors harmed by so-called repurchase agreements would have escaped harm entirely if they had simply taken delivery of the repo securities.
- (2) The security of the repo transactions is even further enhanced by the Investment Guidelines and additional precautions. The limitation to overnight repos reduces market exposure; \$5 million maximum position limits the dollar magnitude of exposure; limitation of dealers ensures investing with only the safest banks.
- (3) The only alternative to repurchase agreements is uninvested funds. However, such a practice risks criticism of the Corporation's investment management practices.

The Corporation's Repurchase Agreement Procedures

The Investment Guidelines specify a number of restrictions in repurchase agreements that virtually eliminate the Corporation's exposure. Briefly these include:

- (1) Maturity Limitations: next business day maturity with minor exceptions.
- (2) Permitted Dealers: only eight money center commercial banks (and U.S. Trust in certain circumstances) are permitted dealers.

17 April 1985
Finance Committee
Page 2

- (3) Maximum Exposure: while the guidelines permit a larger repo position, in practice it has been limited to \$5 million or less, of a portfolio total of approximately \$2.4 billion.
- (4) Payment: funds are released only upon actual delivery of securities to be repurchased.

The Corporation has instituted some additional precautions:

- (1) Contract: the Corporation has developed a contract which defines the nature of the repurchase agreement transaction and the terms and conditions of any such transaction. By defining the transaction as an outright sale of securities at one price and the simultaneous agreement to repurchase the securities at a higher price on a subsequent date, the Corporation reinforces a key distinction between its transactions and others that might be characterized as "repurchase agreements." The Corporation enters into repos solely with five of the permitted dealers who have signed the agreement.
- (2) Segregated Securities: at the Corporation's request, U.S. Trust has agreed to segregate repo securities purchased by the Corporation from those of all its other customers.
- (3) Credit Review: the Investment Guidelines purposely restricted repo to eight money center banks. In addition to being the most creditworthy banks generally, they are too important to be permitted to fail. Nevertheless, continuous credit monitoring is a prudent practice. The Investment Advisor has agreed to provide such services in its proposed new contract.

Analysis of Repurchase Agreement Problems

The term "repurchase agreement" is regrettably imprecise. It covers investment practices that range from conservative, prudent and clearly understood transactions (such as the Corporation's) to unsecured loans to poor credit risks.

17 April 1985
Finance Committee
Page 3

Unfortunately, the succession of repo problems over the past few years (starting with Lombard Wall and most recently with Bevil, Bresler & Schulman) have not revealed new dimensions to old problems. Rather issuers have been making the same avoidable mistakes. Upon analysis, the failures are reportedly attributable to one or more of the following causes:

- (1) Alleged Fraud;
- (2) Undercapitalization of dealer (poor credit risk);
- (3) Repo securities not delivered to investors or custodian;
- (4) Value of repo securities allowed to fall below value at the time of the repo transaction.

Every one of these problems can and has been avoided by the Corporation's practices. Clearly the most important of these is the delivery of the repo securities to the investor or an independent third party. This precaution even protects against alleged fraud as demonstrated by investors who have escaped unharmed because they took delivery of the repo securities. The Corporation's repo practices underscore its transactions as a clear buy and a sale of securities authorized by the Resolutions. In addition, the procedures minimize the possibility of problems in the first place by limiting dealers, position and maturities.

Risk of Uninvested Funds

Even though the Corporation's repo position is small at \$5 million of its \$2.4 billion portfolio, repo is an extremely useful and important cash management tool. It provides flexibility for unanticipated expenses (such as sinking fund purchases) and it provides liquidity for known expenses when alternative investments with matching maturities are not available. If repos were eliminated, the only way to ensure no loss of principal would be to leave some amounts of cash uninvested. Given the minimization of repo risk by actions taken to date, discontinuance of repo must be weighed against the loss of investment income. For example, the Corporation has already been criticized in the 1981 State Comptroller's Audit:

17 April 1985
Finance Committee
Page 4

"We found four instances, during a check of a two-month test period, of MAC holding uninvested cash balances ranging from \$6,000 to \$800,000 from overnight to three weeks. Lost interest was about \$2,700, a minor sum compared to the \$51 million earned in fiscal 1979. But holding as much as \$800,000 uninvested for even a short time (15 consecutive days) indicated a weakness in controls to ensure the investment of all available funds."

The audit report went on to comment that the Corporation's intentions to fully invest funds through repurchase agreements would resolve the weakness.

In conclusion, the Corporation should be proud of its leadership role in responsibly managing and minimizing its repo risk. This leadership role was confirmed by the State Comptroller's audit of repurchase agreements last summer. We have even added more improvements since then and we are continuing to refine procedures as demonstrated by the proposed credit monitoring role of the Investment Advisor. The only similarity our program bears to the succession of problem cases is the use of the vague rubric "repurchase agreement". There the similarity ends. It would be unfortunate if we denied ourselves a valuable cash management tool just because others have abused it in not taking even the minimal steps to reduce their exposure.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

16 April 1985

HAWKINS, DELAFIELD & WOOD
67 Wall Street
New York, New York 10005

Ladies and Gentlemen:

In various letters, the most recent dated February 7, 1985 you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 29, 1985, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 7, 1985, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

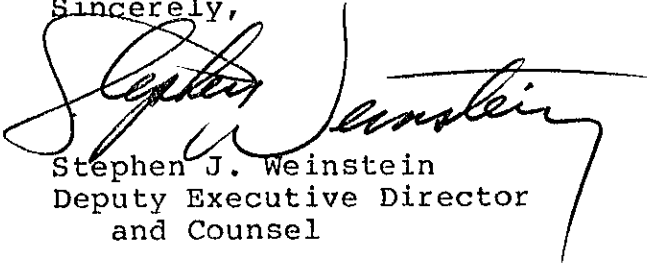
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

HAWKINS DELAFIELD & WOOD
16 April 1985
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/ba

cc: Mr. L. P. Vogel
Price Waterhouse
153 East 53rd Street (#4208)
New York, New York 10022

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

16 April 1985

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
345 Park Avenue
New York, New York 10022

Ladies and Gentlemen:

In various letters, the most recent dated February 7, 1985, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 29, 1985, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 7, 1985 in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

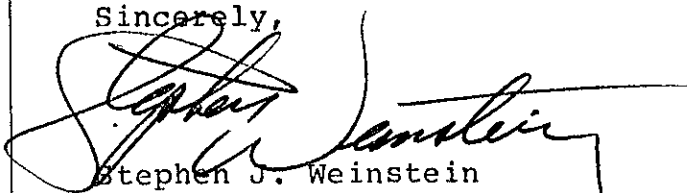
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
16 April 1985
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/ba

cc: Mr. L. P. Vogel
Price Waterhouse
153 East 53rd Street (#4208)
New York, New York 10022

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

16 April 1985

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
345 Park Avenue
New York, New York 10022

Ladies and Gentlemen:

In various letters, the most recent dated February 7, 1985, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 29, 1985, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 7, 1985 in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

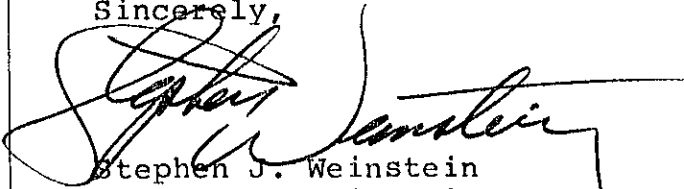
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
16 April 1985
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/ba

cc: Mr. L. P. Vogel
Price Waterhouse
153 East 53rd Street (#4208)
New York, New York 10022

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

16 April 1985

HAWKINS, DELAFIELD & WOOD
67 Wall Street
New York, New York 10005

Ladies and Gentlemen:

In various letters, the most recent dated February 7, 1985 you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them on April 29, 1985, of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated February 7, 1985, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") and which is not included in the various letters regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

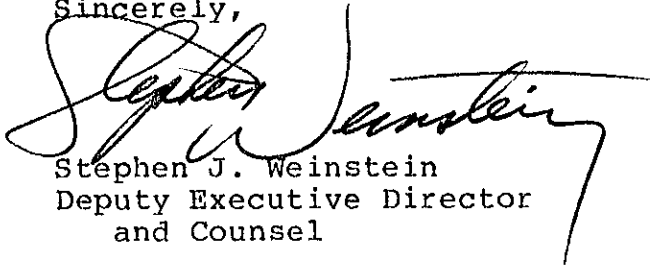
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

HAWKINS DELAFIELD & WOOD
16 April 1985
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

SJW/ba

cc: Mr. L. P. Vogel
Price Waterhouse
153 East 53rd Street (#4208)
New York, New York 10022

MEMORANDUM

Date: 15 April 1985
To: Finance Committee
From: Dennis Sullivan *DS*
Re: Possible Change in Commercial Paper Tax Exemption

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

A potential problem concerning the tax-exempt status of the Corporation's commercial paper program has arisen as a result of a recent announcement by the Internal Revenue Service (see attached copy of the IRS press release). This statement by the IRS was apparently prompted by the so-called Philadelphia Gear case in which a Federal appeals court ruled in Denver late last year that a bank letter of credit secured by a promissory note (such as we have with Citibank and Manufacturers Hanover) constitutes an FDIC-insured deposit. Since a provision of the 1984 Federal tax act denies tax-exempt status to obligations which are Federally guaranteed, the court decision raised concerns that tax-exempt obligations backed by letters of credit of Federally insured banks might be considered taxable. Legislation to cure the situation by making it clear that FDIC insurance does not attach to letters of credit is pending in Congress, sponsored by the banking community and the FDIC.

The IRS press release renews the concerns about the tax-exemption, and raises many questions itself. On the face of it, the IRS announcement of impending proposed regulations

15 April 1985
Finance Committee
Page 2

appears to "grandfather" obligations issued before May 2, 1985. However, since our program involves a rolling issuance of new notes to fund notes that are maturing, a question has arisen whether notes issued under our program after May 2nd would be considered taxable by the IRS, regardless of the merits of its position.

It does not appear that our bond counsel will withdraw its opinion that the notes are tax-exempt after May 2, 1985, but if there is no change in the legislation or IRS position at that time, we may have to amend our offering document to disclose it. This, in turn, could affect the marketability of the notes.

While there are several possible strategies to cope with these developments, we are concentrating, for the moment, on attempting to secure clarification from the IRS and/or Treasury. I will keep the Committee advised of developments.

News Release

Department of the Treasury
Internal Revenue Service
Public Affairs Division
Washington, DC 20224

For Release: 4/1/85

Media Contact: Tel. (202) 566-4024
Copies: Tel. (202) 566-4054
IR-85-32

Washington--The Internal Revenue Service today announced that proposed regulations will provide that state or local government obligations issued before May 2, 1985, and guaranteed by letters of credit issued by banks whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC) will not be treated as Federally guaranteed obligations solely because of the letters of credit.

Section 103(h) of the Internal Revenue Code, enacted by the Tax Reform Act of 1984, generally denies federal income tax exemption for obligations issued by state or local government units if payments of principal or interest on the obligations are directly or indirectly guaranteed by the federal government.

In Philadelphia Gear Corporation v. FDIC, 84-1901 and 84-2007 (10th Cir. Dec. 27, 1984), the court held that a letter of credit secured by a promissory note constitutes a deposit insured by the FDIC. Because federal guarantees of tax-exempt obligations are prohibited by section 103(h), the court's decision has raised concerns regarding the tax-exempt status of obligations guaranteed by letters of credit.

In its announcement today, the IRS stated that the provision for obligations issued before May 2, 1985, will be included in proposed regulations to be published in the future. The tax-exempt status of obligations issued after May 1, 1985, secured by letters of credit will not be protected by this grandfather provision but will depend on the state of the law after that date.

X X X

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

FOR RELEASE: APRIL 12, 1985

CONTACT: T. DENNIS SULLIVAN

THE MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK TODAY ANNOUNCED THAT IT PLANS TO REFUND ITS FIRST RESOLUTION SERIES GG AND II BONDS AND ITS SECOND RESOLUTION SERIES 34 AND 35 BONDS WITH THE PROCEEDS OF A SALE OF APPROXIMATELY \$205 MILLION OF ITS SECOND RESOLUTION SERIES 54 BONDS. THIS SALE WILL SUBSTANTIALLY COMPLETE THE SERIES OF REFUNDINGS ENVISIONED IN THE MARCH 1984 MEMORANDUM OF AGREEMENT INVOLVING THE STATE OF NEW YORK, THE CITY OF NEW YORK AND THE MUNICIPAL ASSISTANCE CORPORATION. THIS AGREEMENT WAS DESIGNED TO MAKE APPROXIMATELY \$1.1 BILLION IN ADDITIONAL REVENUES AVAILABLE TO THE CITY DURING FISCAL YEARS 1985 THROUGH 1988 FOR CAPITAL AND ECONOMIC DEVELOPMENT PURPOSES.

THE SERIES GG AND II BONDS, DATED AUGUST 1, 1977, BEAR INTEREST OF 8% AND 7½%, RESPECTIVELY, AND MATURE ON FEBRUARY 1, 1987. THE SERIES 34 AND 35 BONDS, DATED NOVEMBER 1, 1981, ARE COMPRISED OF SERIAL AND TERM BONDS WITH COUPONS AND MATURITIES RANGING FROM 10% DUE 1985 TO 12.75% DUE 2008.

THE PROPOSED SALE IS SCHEDULED TO TAKE PLACE DURING THE WEEK OF APRIL 15, 1985. THE BONDS WILL BE OFFERED ON A NEGOTIATED BASIS BY A SYNDICATE HEADED BY SALOMON BROTHERS INC. THE TIMING OF THE PROPOSED SALE HAS BEEN CLEARED WITH THE NEW YORK STATE SECURITIES COORDINATING COMMITTEE.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

By Messenger

12 April 1985

Mr. John W. Wetzler
Vice President
Public Finance Department
CITIBANK, N.A., AS SERIES 4 AGENT
55 Water Street/47th Floor
New York, New York 10043

Dear Mr. Wetzler:

Section 2.05(d) of the Letter of Credit and Reimbursement Agreement Dated April 12, 1984 among the Municipal Assistance Corporation For The City of New York (the "Corporation"), Citibank, N.A., and Manufacturers Hanover Trust Company (collectively, the "Banks"), requires the Corporation to include as issued and outstanding, for the purpose of computing coverage tests prior to the issuance of obligations of the Corporation, the bonds to be issued to the Banks under certain circumstances in accordance with the Reimbursement Agreement. Section 2.05(d) also requires that the Corporation and the Banks agree on the interest rates for the bonds so included.

In calculating coverage tests in connection with the proposed issuance of the Corporation's Series 54 Bonds, we intend to include bonds with the following structure to fulfill the requirements of Section 2.05(d) of the Reimbursement Agreement:

Issue Size: \$250 million
Dated Date: April 1, 1985
Issue Date: April 1, 1985
First Coupon: July 1, 1985

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
1986	25,000,000	5.5
1987	25,000,000	6.0
1988	25,000,000	6.5
1989	25,000,000	6.75
1990	25,000,000	7.0
1991	25,000,000	7.25
1992	25,000,000	7.5
1993	25,000,000	7.75
1994	25,000,000	8.0
1995	25,000,000	8.25

12 April 1985
Mr. John W. Wetzler
Page 2

Please indicate the agreement of the Banks with the structure set forth above by signing the enclosed copy of this letter in the space provided and returning it to me.

Sincerely,



Frances Higgins
Deputy Treasurer

FH:bba

AGREED
CITIBANK, N.A., AS SERIES 4 AGENT

By: _____

Date: _____

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

(11/16/85)
**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

11 April 1985

Ms. Judith Hamill
Financial and Legal Sales
R. R. DONNELLEY & SONS COMPANY
80 Pine Street
New York, New York 10005

Re: Series 54 Financial Printing

Dear Judy:

The Municipal Assistance Corporation would like to engage your firm to undertake the financial printing required in connection with the proposed offering and sale of its Series 54 Bonds.

You have indicated that you would undertake this work on the same terms as were in effect for our most recent financing in January 1985, as reflected in my letter of January 9, 1985 (copy attached).

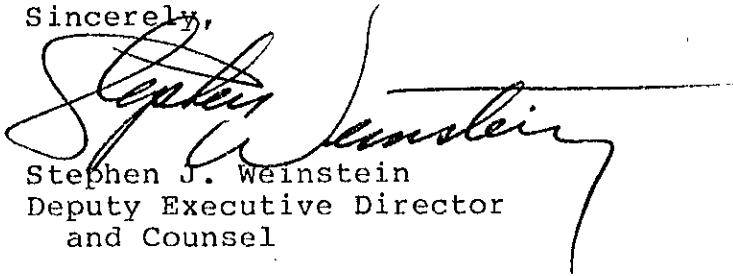
The present schedule calls for circulation of a preliminary official statement and related documents on Monday, April 15, 1985 and a final official statement and related documents on Thursday, April 18, 1985.

I am today submitting a mark-up of the Series 53 documents which you printed in January, for initial composition and proof distribution tomorrow.

All information with regard to this proposed financing should be regarded as confidential, and the schedule is subject to change at our direction.

Please sign and return the enclosed copy of this letter.

Sincerely,



Stephen J. Weinstein
Deputy Executive Director
and Counsel

Enclosures

SJW:bba

Accepted: R. R. DONNELLEY & SONS COMPANY

By: Judith Hamill

Date: 4/11/85

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

9 April 1985

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

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

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 57 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated April 9, 1985.

Certificate Number 57 relates to the cash needs of the Corporation for fiscal year 1985 and 1986 with respect to the Series BB through Series II Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,



Quentin B. Spector
Treasurer

Enclosures

cc: Attached

9 April 1985

Honorable Edward I. Koch, Mayor
Honorable Edward V. Regan, Comptroller
Page Two

cc: Alexandra Altman, Esq.
Ms. Margaret Van Doren Cook
Mr. Mike Gibbons
Mr. Steve Levine
Robert R. Grew, Esq.
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivaschi
James M. Dubin, Esq.
Stephen J. Weinstein, Esq.

MUNICIPAL ASSISTANCE CORPORATION
SCHEDULE A

	<u>Amount</u>	<u>Date Required on or before</u>
Debt Service Fund Under Section 3036 of the Public Authorities Law, Established Pursuant to the First General Bond Resolution Adopted July 2, 1975		
	\$ 24,900,000	04/12/85
	<u>37,300,000</u>	06/30/85
TOTAL (Fiscal Year 1985)	\$ 62,200,000	
	\$ 37,300,000	10/12/85
	37,300,000	01/12/86
	53,200,000	04/12/86
	<u>53,200,000</u>	06/30/86
TOTAL (Fiscal Year 1986)	\$ 181,000,000	
Operating Fund Under Section 3036 of the Public Authorities Law		
	<u>\$ 10,600,000</u>	01/12/86
TOTAL (Fiscal Year 1986)	<u>\$ 10,600,000</u>	

April 9, 1985

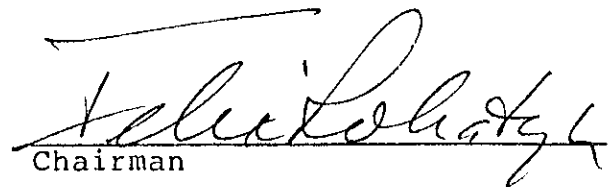
Certificate Number 57

CERTIFICATE NUMBER 57 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

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

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

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Corporation this 9th day of April 1985.


Chairman

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

9 April 1985

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

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

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 47 of the Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation") to the Comptroller of the State of New York and to the Mayor of The City of New York, dated April 9, 1985.

Certificate Number 47 relates to the cash needs of the Corporation for fiscal year 1985 and 1986 with respect to the Series 5 through 53 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,



Quentin B. Spector
Treasurer

Enclosures

cc: Attached

9 April 1985

Honorable Edward I. Koch, Mayor

Honorable Edward V. Regan, Comptroller

Page Two

cc: Alexandra Altman, Esq.
Ms. Margaret Van Doren Cook
Mr. Mike Gibbons
Mr. Steve Levine
Robert R. Grew, Esq.
Donald J. Robinson, Esq.
Mr. Rudy Runko
Mr. Pat Santivaschi
James M. Dubin, Esq.
Stephen J. Weinstein, Esq.

MUNICIPAL ASSISTANCE CORPORATION
SCHEDULE A

	<u>Amount</u>	<u>Date Required on or before</u>
Bond Service Fund Under Section 3036-a of the Public Authorities Law, Established Pursuant to the Second General Bond Resolution Adopted November 25, 1975*		
	\$ 174,100,000	04/12/85
	<u>189,100,000</u>	06/25/85**
TOTAL (Fiscal Year 1985)	\$ 363,200,000	
	\$ 194,500,000	10/12/85
	194,500,000	01/12/86
	194,500,000	04/12/86
	<u>189,300,000</u>	06/25/86***
Total (Fiscal Year 1986)	\$ 772,800,000	

NOTES:

* Any payment or payments on June 30, or October 12, 1985 or January 12, April 12, or June 30, 1986 from revenues derived from the sales and compensating use taxes imposed pursuant to Section 1107 and 1108 of the Tax Law and stock transfer tax imposed pursuant to Article 12 of the Tax Law are subject and subordinate to and after payments required by such dates under Certificate Number 57 of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

** To the extent payments made to the Corporation for the 1985 fiscal year on or before June 25, 1985 are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1985 payments to the Corporation subject and subordinate to the payments referred to in the prior footnote.

*** To the extent payments made to the Corporation for the 1986 fiscal year on or before June 25, 1986 are less than the amount certified as set forth above, the deficiency shall be required to be made up from the June 30, 1986 payments to the Corporation subject and subordinate to the payments referred to in the prior footnote.

9 April 1985

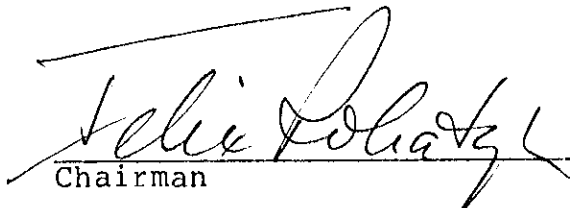
Certificate Number 47

CERTIFICATE NUMBER 47 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, the undersigned, Chairman of the Board of Directors of the Municipal Assistance Corporation For The City of New York (the "Corporation"), hereby certifies to the Comptroller of the State of New York and to the Mayor of the City of New York the revised schedule of cash requirements of the Corporation (in addition to the total amount certified in Certificate 57 of the Corporation dated April 9, 1985 pursuant to Section 3036 of the Public Authorities Law).

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 9th day of April 1985.


Chairman

Quentin B. Spector

*One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010*

4 April 1985

Mrs. Gertrude Kritzler
1205 Bahama Bend-Al
Coconut Creek, Florida 33066

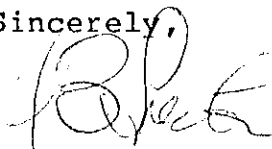
Dear Mrs. Kritzler:

I am writing in response to your letter dated March 31, 1985, requesting bond registration procedures. Reattach your coupon(s) to the bond and send the bond by registered mail return receipt request to the United States Trust Company (our trustee) at 37 Wall Street, New York, New York 10005, Lower Banking Level.

The United States Trust Company will return your bond registered, and they will automatically notify you when your bond is called.

If you have any further questions please feel free to contact me.

Sincerely,



Quentin B. Spector
Treasurer

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

March 31, 1985

Quentin B. Spector
Municipal Assistance Corp.
1 World Trade Center, Suite 8901
New York, N. Y. 10048

Dear Mr. Spector, Re: MAC BOND #63046

I re-deposited the check after showing them your letter. I thought it had been taken care of properly. However, a few days ago, they sent me the enclosed notices. I went to see them but they insisted upon giving me the coupon, not accepting it..... very disturbing..

I would like to carry out your suggestion in your March 5th letter. -- that is:

"you should consider registering your bonds so that interest checks are sent to you automatically together with any call notification."

Please tell me how I am to do this... I have retired to Florida - but if it is necessary for me to go to New York, I will do so.

Thank you for your kind help in this matter.

Sincerely yours,



GERTRUDE KRITZLER

1205 Bahama Bend- A1
Coconut Creek, Florida
33066

e n c l o s u r e

ACCT. NO. 31-17-1592-4

OFFICE _____

DATE 3-27-85

CHECKING

____ CERTIFICATE

____ REGULAR SAVINGS

CHECK AMOUNT \$ 243.75

SERVICE CHARGE \$ N/C

ADVICE OF CHARGE

The enclosed item, which we received from you recently, has been returned to us unpaid by the Payee Bank for the following reason:

Not sufficient funds. Uncollected funds. Other Bank Called

In accordance with our regulations, this item has been charged to your account.

A service charge has also been deducted from your account, which will be applied to costs that we incurred in handling this item.

Please mail your book in the enclosed envelope for posting and it will be returned to you promptly.

This charge will appear on your next statement.

You may pick your coupons up at your branch

CENTRUDE KATZLER
1205 BANANA BOVD-AM
COCONUT CREEK FLA 33066

RETURN ITEMS DEPARTMENT PHONE

447-4711 Dade, Broward &

Palm Beach Counties

237-2830 Orlando Area

CORAL GABLES FEDERAL SAVINGS AND LOAN ASSOCIATION

F-210 (Rev. 0-1/85) (White-customer; yellow-W/D; pink-office copy)

MEMORANDUM

2 April 1985

Date:

Finance Committee

To:

Quentin ^{BS} Inspector and Frances Higgins

From:

Proposed Series 54

Re:

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

This memorandum recommends that:

- 1) the Corporation complete its refunding commitment with its next financing; and
- 2) the financing be done at the next open date on the New York State issuers' calendar. Depending on the fate of the State's spring borrowing, the earliest open date appears to be the week of April 15th.

Pursuant to the Memorandum of Agreement with the City of March 31, 1984, the Corporation is committed to providing \$300 million of debt service savings in fiscal 1985-1987 through a program of refundings. Table 1 indicates that Series 50 and Series 53 generated approximately \$203 million in savings in fiscal 1985-1987.

As in the previous two refunding issues, the proposed financing would refund a combination of high coupon bond series with low coupon bond series having large principal payments during the target years. The First Resolution Series II and Series GG (issued in September 1977 as part of a restructuring of previously-issued private placements) and the Second Resolution Series 34 and 35 (issued together in a public offering on November 2, 1981 for capital purposes) are the primary candidates. The Series GG Bonds have an 8% coupon and a single principal payment of \$70.2 million on February 1, 1987. The Series II Bonds have a 7.5% coupon and a single principal payment of \$11.2 million on February 1, 1987. The Series 34 Bonds have a coupon of 11.25% on the final maturity of July 1, 1989. Of the \$40.5 million Series 34 outstanding, \$22.6 million mature in the target years. The Series 35 Bonds have a coupon of 12.75% and mature on July 1, 2008. There are \$59.5 million Series 35 Bonds outstanding.

It is estimated that the size of the refunding issue would be \$195-205 million. The financing would produce approximately \$101 million debt service savings in fiscal year 1985-1987 and would generate approximately \$2.4 million of present value savings.

2 April 1985
Finance Committee
Page 2

The proposed refunding would complete the Corporation's commitment to the City by bringing total savings to an estimated \$304 million.

With respect to timing the market appears promising and a gap has opened in the calendar. If the State's spring borrowing is completed in the week of April 8th, no major issues will be scheduled until late in April. Further, the municipal market has strengthened in the past week. The MAC Series 53 Bonds maturing in 2008 are currently yielding below 9.95%. Indications are that a new issue could be priced below 10% in the present market.

TABLE 1

PROPOSED REFUNDING PLAN
PROJECTED SAVINGS
(\$ millions)

<u>Fiscal Year</u>	<u>Prior Refundings</u>		<u>Proposed Refunding</u>	<u>Total Savings</u>	<u>Target Savings</u>
	<u>Series 1-4 & 38</u>	<u>Series FF & 31</u>	<u>Series GG, II, 34 & 35</u>		
1985	\$ 63	\$ 9	\$ 11	\$ 83	\$ 50
1986	63	63	6	132	150
1987	-	5	84	89	100
Agreement Period Savings	<u>\$ 126</u>	<u>\$ 77</u>	<u>\$ 101</u>	<u>\$ 304</u>	<u>\$ 300</u>
Refunding Series	<u>Series 50</u>	<u>Series 53</u>	<u>Series 54</u>	<u>Total</u>	
Size	\$ 227	\$ 161	\$ 198	\$ 586	

Note: Actual results may vary as they are a function of when the plan is executed and market conditions at that time.

TABLE 2COMPARISON OF REFUNDING
ALTERNATIVES ON TOTAL DEBT SERVICE

<u>Calendar Year</u>	<u>Existing Debt Service</u>	<u>Debt Service After Refunding of Series GG,II,34,35</u>
1986	\$ 557,117	\$ 545,879
1987	926,573	920,989
1987	1,045,403	961,885
1988	1,053,692	1,055,093
1989	1,110,137	1,111,939
1990	1,084,859	1,092,582
1991	1,075,590	1,083,771
1992	1,025,410	1,033,954
1993	840,781	849,758
1994	921,292	930,727
1995	925,378	938,659
1996	529,118	550,615
1997	432,088	453,784
1998	421,979	443,876
1999	434,451	456,548
2000	381,157	404,048
2001	351,957	375,004
2002	330,902	352,573
2003	320,876	342,675
2004	300,794	322,722
2005	289,598	312,684
2006	280,549	303,643
2007	271,283	294,382
2008	259,048	282,124

Note: Actual results may vary as they are a function of when the plan is executed and market conditions at that time.

One World Trade Center, Suite 8901
New York, New York 10048
Telephone: (212) 775-0010

**MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

1 April 1985

Mr. Bob Ike
ALLEN W. WASMUND & SON, INC.
21 Harrison Avenue
Waldwick, New Jersey 07463

Dear Bob:

Enclosed are the two Series 53 bound volumes whose errors I discussed with you on the phone this morning.

I. Volume for Ronald M. Soiefer:

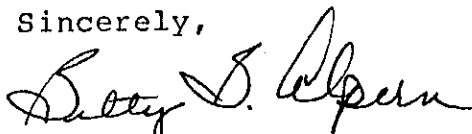
- After Tab #13 insert Document #13, "Certificate of the Director of the Budget of the State With Respect to the Amount of Per Capita Aid," a copy of which is attached to this letter.
- Then insert Tab #14, which will then correctly precede Document #14, "General Certificate of the Municipal Assistance Corporation For The City of New York Dated February 7, 1985," which is already in book (following Tab #13). I have placed a paperclip on correct Document #14 to show that the two inserts should go in front of it.

II. Volume for Hawkins, Delafield & Wood:

- Remove first Tab #14 and Document that follows, "Certificate of the Director of the Budget of the State of New York as to Per Capita Aid." I have paperclipped these together.
- Leave in second Tab #14 and Document that follows, "General Certificate of the Municipal Assistance Corporation For The City of New York Dated February 7, 1985." These are correct.

If these directions are confusing, please call me at the number above.

Sincerely,



Betty B. Alpern
Administrative Manager

Enclosures (2)

Attachment (1)