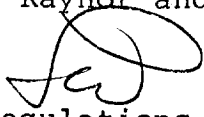


MEMORANDUM

Date: 28 January 1988
To: Beatrice Gilling Raynor and Denise Dean
From: Steve Weinstein 
Re: Prompt Payment Regulations

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Attached is a copy of the Corporation's Prompt Payment Regulations, which were adopted by the Board of Directors on January 25, 1988. These regulations are now in effect.

They incorporate statutory deadlines on contract payments, although our present practice falls well within those limitations, and they impose annual reporting requirements.

Copies of the Prompt Payment Regulations must now be provided to all parties with whom we enter into new contracts.

Attachment

aa:123

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

PROMPT PAYMENT REGULATIONS

Adopted January 25, 1988

I. Purpose

A. Adoption. These Guidelines are adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York, effective as of January 25, 1988, pursuant to Section 2880 of the Public Authorities Law of the State of New York.

B. Scope. These Guidelines specify the policies and procedures relating to the payment of contracts entered into by the Municipal Assistance Corporation on or after the date of adoption. For purposes of these Guidelines, a contract is an agreement for a person or persons who are not providing such service as officers or employees of the Corporation or of any other public corporation or agency of the State of New York to sell or lease materials, equipment or supplies or render or provide services to the Corporation.

C. Amendment. These Guidelines may be amended by the Board of Directors from time to time as circumstances warrant.

II. Procedures

A. Invoices. In order to initiate any payment pursuant to a contract, a contractor shall be required to submit a proper invoice to the Corporation, except where the contract provides that the contractor will be paid at predetermined intervals. A proper invoice shall contain a written request for contract payment and shall set forth the description, price and quantity of goods or services delivered or rendered, in such form and supported by such other substantiating documentation as the Corporation may reasonably require.

B. Schedule of Payment

1. The Corporation shall make payment under a contract within forty-five calendar days after receipt of an invoice for the amount of the payment then due, for each invoice received prior to July 1, 1989. For each invoice received on or after July 1, 1989, the Corporation shall make payment within thirty calendar days (excluding legal holidays) after receipt of such invoice for the amount of the payment then due. Where the contract provides that the contractor will be paid at predetermined intervals, payments shall be made by the payment due date specified in accordance with the contract.

Failure to make payment in accordance with the preceding paragraph shall result in the Corporation becoming liable for payment of interest as specified in Section III(A)(1) of these Guidelines.

2. The Corporation shall have fifteen calendar days after receipt of an invoice to notify the contractor of:

- a. defects in the delivered goods or services;
- b. defects in the invoice; or
- c. suspected improprieties of any kind.

The existence of any such defect or impropriety shall prevent the commencement of the thirty day period specified in Section II(B)(1) of these Guidelines, provided that the Corporation notifies the contractor of the existence of any such defect or impropriety within fifteen calendar days of receipt of the invoice.

III. Penalty for Late Payment

A. Payment of Interest

1. Except where defects or improprieties of the type specified in Section II(B)(2) of the Guidelines justify extension of the date by which contract payment must be made, the Corporation shall be liable for the payment of interest if payment is made later than the date specified in Section II(B)(1) of these Guidelines for the amount of the contract payment due or the payment due date specified in accordance with the contract.

2. Interest shall be computed at the rate equal to the rate set by the New York State Tax Commission for corporate taxes pursuant to section 1096(e)(1) of the Tax Law.

B. Sources of Funds. The Corporation will make any payment of interest required by Section III(A)(1) of these Guidelines with moneys in the Corporation's Operating Fund, established pursuant to Section 602 of the First General Bond Resolution.

IV. Annual Report

Annually, the Executive Director shall prepare and the Board of Directors shall review and approve a Prompt Payment Report covering the fiscal year of the Corporation, in accordance with Section 2880 (11)(a) of the Public Authorities Law. The Prompt Payment Report shall be submitted to the New York State Division of the Budget, the New York State Department of Audit and Control, and the Senate Finance Committee and the Assembly Ways and Means Committee of the State of New York. Copies of the annual report, as well as the Guidelines, shall also be made available to the public upon reasonable request.

V. Applicability

These Guidelines shall govern all contracts entered into by the Municipal Assistance Corporation on and after January 25, 1988.

MEMORANDUM

Date: 28 January 1988
To: See Distribution
From: Maxine H. Gillman *MHG*
Re: Series 64 Bonds - Closing Documents

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Attached is the proposed Table of Contents for the closing documents for the Corporation's Series 64 Bonds. Parties will be responsible for preparing or obtaining such documents as follows:

<u>Firm</u>	<u>Document Number</u>
Municipal Assistance Corporation	3, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 27, 28, 29, 30, 31, 32, 33
Paul, Weiss, Rifkind, Wharton & Garrison	20
Orrick, Herrington & Sutcliffe	5, 6, 21, 22, 23, 24, 25
Carter, Ledyard & Milburn	19, 26

Please circulate drafts of these documents no later than Friday, February 5, 1988.

A pre-closing for the Series 64 Bonds will be held at the Corporation's offices beginning at 2:00 P.M. on Wednesday, February 10. The closing will take place at 9:00 A.M. on Thursday, February 11.

Attachment

By Messenger

Distribution: Donald J. Robinson
Kathleen A. McDonough
Kent K. Reynolds
James M. Dubin
Saul H. Finkelstein
Lee S. Pershan
Robert R. Grew
Mercedes Padin

bba:122

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

**\$134,485,000
Series 64 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 February 2, 1988 relating to the Series 64 Bonds (the "Official Statement").
2. Copy of the Preliminary Official Statement of the Corporation dated January 26, 1988 relating to the Series 64 Bonds.
3. Extract of the Minutes of the Board of Directors Meeting held on January 25, 1988 showing adoption of the Series 64 Resolution authorizing the issuance, sale and delivery of the Series 64 Bonds and other matters related thereto.
4. Copy of the Second General Bond Resolution.
5. Copy of the Series 64 Resolution.
6. Certificate of Determination of the Corporation relating to the Series 64 Bonds.
7. Notice of Sale and Official Bid Form for the Series 64 Bonds.
8. Affidavit of Publication of Notice of Sale for the Series 64 Bonds.
9. Proposals for the Series 64 Bonds received by the Corporation.
10. Order of the Corporation as to the authentication and delivery to the Underwriters of the Series 64 Bonds.
11. Certificate of the Director of the Budget of the State with respect to the Official Statement.

12. Certificate of the Commissioner of Taxation and Finance of the State with respect to the Official Statement.
13. Certificate of the Mayor and the Comptroller of the City of New York (the "City") or appropriate Deputies with respect to the Official Statement.
14. Certificate of the Commissioner of Taxation and Finance of the State with respect to the amounts of Sales Tax and Stock Transfer Tax.
15. Certificate of the Director of the Budget of the State with respect to the amount of Per Capita Aid.
16. 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.
17. Arbitrage Certificate of the Corporation.
18. Certificate of the Treasurer of the Corporation.
19. 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 64 Bonds.

Opinions

20. 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.
21. Approving Opinion as to the Series 64 Bonds of Orrick, Herrington & Sutcliffe, Bond Counsel to the Corporation, addressed to the Corporation, together with reliance opinion addressed to the Purchaser.
22. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Purchaser, as to the Official Statement.
23. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to arbitrage.
24. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to the 1978 State Covenant.

25. Opinion of Orrick, Herrington & Sutcliffe, addressed to the Corporation, as to the defeasance of the Series 23 Bonds of the Corporation, together with reliance opinion addressed to the Trust Company.
26. Opinion of Carter, Ledyard & Milburn, Counsel to the Trust Company, with respect to the Trust Company's authority to act as Trustee, and authentication of the Series 64 Bonds, together with reliance opinion addressed to the Purchaser.

Proceeds

27. Order as to deposit and investment of the Series 64 Bond Proceeds and irrevocable instructions as to the establishment of the Series 23 Trust Fund.
28. Certificate of the Trustee as to receipt of proceeds of sale of the Series 64 Bonds.
29. Evidence of receipt of purchase price for the Series 64 Bonds.
30. Certificate of the Trustee respecting defeasance of the Series 23 Bonds of the Corporation.
31. Receipt of the Purchaser for the Series 64 Bonds and the Closing Documents.

Miscellaneous

32. Certificate of the Purchaser As To No Credit Enhancement.
33. Memorandum of Closing.

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

28 January 1988

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

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

Gentlemen:

Kay Hutcheson, of United States Banknote Corporation, has asked me to forward certain information to you regarding the sale of \$134,485,000 Series 64 Bonds by the Municipal Assistance Corporation. I am enclosing a copy of the Corporation's Preliminary Official Statement, dated January 26, 1988, relating to such sale. The Series 64 Bonds will be comprised of serial bonds aggregating \$85,285,000, to bear interest and to be sold as follows:

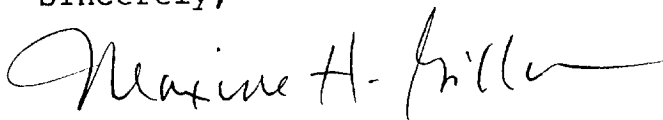
<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1998	\$ 7,885,000	6.75%
1999	8,560,000	6.90
2000	9,275,000	7.10
2001	10,065,000	7.20
2002	10,910,000	7.30
2003	11,835,000	7.40
2004	12,835,000	7.50
2005	13,920,000	7.60

The Series 64 Bonds are also comprised of term bonds aggregating \$49,200,000, which will mature July 1, 2008, will bear interest at 7.625% and will be sold at 99 1/2% of par. The Series 64 Term Bonds due July 1, 2008 are subject to mandatory sinking fund installments in the following amounts:

<u>Year</u>	<u>Amount</u>
2006	\$ 15,090,000
2007	16,365,000

It is anticipated that the Series 64 closing will take place on February 11, 1988. If you have any further questions regarding the Series 64 Bonds, please feel free to contact me.

Sincerely,



Maxine H. Gillman
Counsel

MHG:vsj#133

Enclosure

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

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

27 January 1988

Merrill Lynch Capital Markets
Municipal Trading and Underwriting
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281

Attention: Mr. David Anderson, Vice President

Ladies and Gentlemen:

We hereby notify you that, in accordance with the Notice of Sale dated January 26, 1988 for the Corporation's Series 64 Bonds, we have elected to increase the principal amount of such bonds to be sold to you, the successful bidder, to \$134,485,000. We have adjusted the purchase price for the Series 64 Bonds accordingly to \$132,793,286.25, and have revised the individual maturity structure as follows:

<u>Due</u> <u>July 1</u>	<u>Principal Amount</u>
1998	\$ 7,885,000
1999	8,560,000
2000	9,275,000
2001	10,065,000
2002	10,910,000
2003	11,835,000
2004	12,835,000
2005	13,920,000
2008	49,200,000

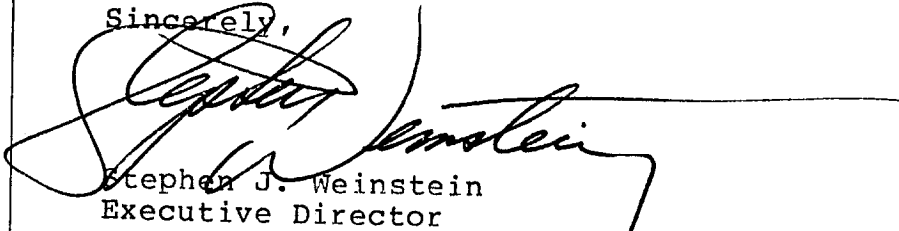
The Series 64 Bonds maturing on July 1, 2008 will be subject to mandatory sinking fund redemptions on July 1, 2006 and July 1, 2007 in the respective principal amounts of \$15,090,000 and \$16,365,000.

Merrill Lynch Capital Markets
27 January 1988
Page 2

All such adjustments are within the parameters for adjustment set forth in the Notice of Sale. All other terms of the Series 64 Bonds and the terms of their sale shall be as set forth in the Notice of Sale and the Official Bid Form submitted by you, copies of which are attached.

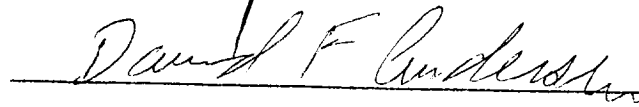
Please acknowledge your receipt of this notice by signing and dating the enclosed copy of this letter.

Sincerely,



Stephen J. Weinstein
Executive Director

Received by:


For Merrill Lynch Capital Markets

1-27-88

Date

aa:200

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

Chen

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

By Messenger

27 January 1988

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

Re: Series 64 Bond Printing

Dear Kay:

This letter is to authorize you to print the Series 64 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 29,500 certificates is to be printed in the quantities shown below.

<u>Due July 1</u>	<u>Rate</u>	<u>Quantity</u>
1998	6.75%	2,000
1999	6.90	2,000
2000	7.10	2,000
2001	7.20	2,500
2002	7.30	2,500
2003	7.40	2,500
2004	7.50	3,000
2005	7.60	3,000
2008	7-5/8	10,000

The Series 64 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 Monday, February 8, 1988.

27 January 1988
Ms. Catherine E. Hutcheson
Page 2

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

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

Sincerely,



Maxine H. Gillman
Counsel

:bba:122

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

Mr. Pat Santivaschi
United States Trust Company of New York

MEMORANDUM

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Date: 27 January 1988
To: Board of Directors
From: Steve Weinstein
Re: Sale Results -- Series 64

Today's competitive refunding produced four close proposals, with Merrill Lynch winning the bonds, as detailed in the attached press release.

The present value savings from this transaction will be approximately \$11.5 million, with debt service savings of approximately \$22.9 million over the life of the bonds.

These results are attributable to improved market conditions producing attractive bids and dissipating negative arbitrage.

Attachment

aa:201

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 IMMEDIATE RELEASE: WEDNESDAY
JANUARY 27, 1988
2:00 P.M.**

CONTACT: STEPHEN J. WEINSTEIN

THE MUNICIPAL ASSISTANCE CORPORATION TODAY ANNOUNCED THE RESULTS OF ITS COMPETITIVE SALE OF \$134.485 MILLION PRINCIPAL AMOUNT OF ITS SERIES 64 BONDS AFTER RECEIPT OF FOUR PROPOSALS. THE BONDS WERE AWARDED TODAY TO A GROUP LED BY MERRILL LYNCH CAPITAL MARKETS.

BIDS WERE AWARDED ON THE BASIS OF THE LOWEST TRUE INTEREST COST, AS CALCULATED BY THE CORPORATION, WHICH WAS 7.5639%. THE COMPETING BIDS WERE SUBMITTED BY DEAN WITTER REYNOLDS, J.P. MORGAN SECURITIES INC. AND ASSOCIATES, AND MORGAN STANLEY & CO. INCORPORATED, AT TRUE INTEREST COSTS OF 7.5858%, 7.5930%, AND 7.6871%, RESPECTIVELY.

THE SERIES 64 BONDS WILL MATURE AND BEAR INTEREST AS FOLLOWS:

<u>MATURITY</u>	<u>AMOUNT</u>	<u>RATE</u>
1998	\$ 7,885,000	6.75 %
1999	8,560,000	6.90
2000	9,275,000	7.10
2001	10,065,000	7.20
2002	10,910,000	7.30
2003	11,835,000	7.40
2004	12,835,000	7.50
2005	13,920,000	7.60
2008	49,200,000	7.625

THE SERIES 64 BONDS ARE EXPECTED TO BE RATED "A+" BY STANDARD & POOR'S CORPORATION, "A1" BY MOODY'S INVESTORS SERVICE, INC. AND "AA-" BY FITCH INVESTORS SERVICE, INC.

DELIVERY OF THE SERIES 64 BONDS IS EXPECTED TO BE MADE ON FEBRUARY 11, 1988.

#

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 Hand

27 January 1988

MERRILL LYNCH CAPITAL MARKETS
Municipal Trading and Underwriting
Merrill Lynch World Headquarters
North Tower
World Financial Center
New York, New York 10281

Attention: Mr. David Anderson, Vice President

Ladies and Gentlemen:

In accordance with the Notice of Sale dated January 26, 1988 (copy attached), the Municipal Assistance Corporation For The City of New York hereby awards its \$132,500,000 Series 64 Bonds (the "Bonds") to you, at a price of \$130,833,250.00 plus accrued interest on said bonds from January 1, 1988 to the date of delivery thereof, such amounts subject to adjustment as described below.

We hereby acknowledge receipt of your check for the good faith deposit of \$1,000,000. Upon delivery of the Bonds, expected to occur on or about February 11, 1988, the remainder of the purchase price will be due in Federal funds.

In accordance with your proposal (copy attached), the Bonds will mature in the principal amounts on July 1 of each of the years and bear interest at the rates per annum set forth below:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Reoffering Price (or Yield) To The Public</u>
1998	\$ 7,770,000	6.75%	@100%
1999	8,430,000	6.90%	100
2000	9,140,000	7.10	100
2001	9,915,000	7.20	100
2002	10,750,000	7.30	100
2003	11,660,000	7.40	100
2004	12,645,000	7.50	100
2005	13,715,000	7.60	100
2008	48,475,000	7-5/8	99.50%

27 January 1988
MERRILL LYNCH CAPITAL MARKETS
Page 2

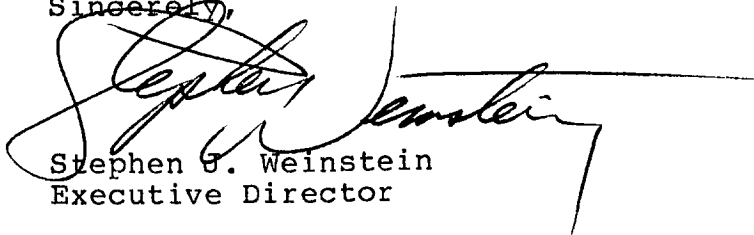
The Series 64 Bonds maturing after July 1, 1998 will be subject to redemption at the option of the Corporation beginning on July 1, 1998, as set forth in the Preliminary Official Statement dated January 26, 1988. In addition, under the terms of your proposal, the Series 64 Bonds maturing on July 1, 2008 will be subject to mandatory sinking fund redemptions on July 1, 2006 and July 1, 2007 in the respective principal amounts of \$14,870,000 and \$16,120,000.

We will expect your certificate, within eight days, setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Series 64 Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations, acting in the capacity of underwriters or wholesalers), which Reoffering Prices shall be as stated on your bid form and herein. We will also require a certificate at closing acknowledging that the reoffering price or yield on each maturity of the Series 64 Bonds does not reflect insurance or any other credit enhancement on all or any portion of such bonds. Delivery of such certificates is a condition of closing, as specified in the Notice of Sale.

We intend to exercise our right to increase the principal amount of any maturity of the Series 64 Bonds by an amount not to exceed 5% per maturity and to adjust the price accordingly, as set forth in the Notice of Sale. We will advise you of such adjustment not later than 10:00 A.M. tomorrow.

Please inform us of the names in which you wish the Bonds to be registered no later than February 4, 1988.

Sincerely,



Stephen S. Weinstein
Executive Director

Attachments (2)

bba:122

**Merrill Lynch, Pierce,
Fenner & Smith Inc.**

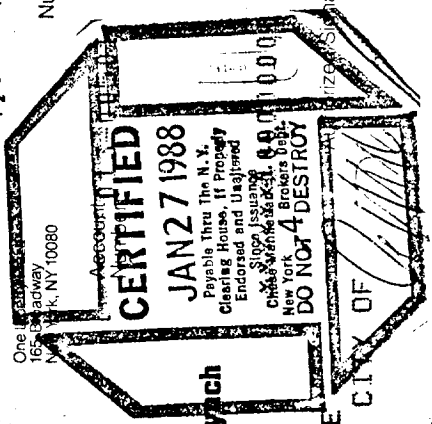
**General Account
Number 2** 0114408

The Chase Manhattan Bank
National Association
1 Chase Manhattan Plaza
New York, New York 10081

One Broadway
New York, N.Y. 10080

Number 00114408 04

Date 01/27/88



Merrill Lynch

Pay To The Order Of

MUNICIPAL ASSISTANCE
CORPORATION FOR THE CITY OF
NEW YORK

Amount Pay
\$*****1,000,000.00



⑈0114408⑈ ⑆021000021⑆ 930 3 480207⑈

Pay to the order of
United States Trust Company
of New York
For deposit only in the
account of the Municipal
Assistance Corporation for the
City of New York
Acct # 016-753

Municipal Assistance Corporation
by [unclear] Treasurer

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

PROPOSAL FOR SERIES 64 BONDS OFFICIAL BID FORM

Executive Director
Municipal Assistance Corporation
For The City of New York
One World Trade Center (Suite 8901)
New York, New York 10048

Subject to the provisions and in accordance with the terms of the Notice of Sale, dated January 26, 1988, which is made a part of this proposal, we hereby offer to purchase all, but not less than all, of the \$132,500,000 Series 64 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below, subject to adjustment as provided herein. The Bonds shall bear interest from January 1, 1988, until their maturity or earlier redemption at the respective rates per annum stated below.

An interest rate is stated in Table 1 only for those years in which Serial Bonds, if any, mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemption. The amount of Serial Bonds maturing need not be stated if all of the Required Principal Payment is Serial Bonds. Where less than all of a Required Principal Payment in a year is represented by Serial Bonds maturing during such year, the principal amount of such Serial Bonds is also stated and the balance of such Required Principal Payment is to be made through Mandatory Sinking Fund Redemption.

The principal amount, maturity date and interest rate for each Term Bond, if any, are separately stated in Table 2 below. Each Mandatory Sinking Fund Redemption shall be allocated to the payment of the Term Bond maturing in the same year or the nearest subsequent year. If the principal amount of a Term Bond, as stated in Table 2, is inconsistent with the total of all Mandatory Sinking Fund Redemptions allocated to such Term Bond, the stated principal amount will be disregarded and the Mandatory Sinking Fund Redemptions will be used to determine the actual principal amount of such Term Bond. Because the amount of a Required Principal Payment not allocated to a Serial Bond maturity will constitute a Mandatory Sinking Fund Redemption, the amount of such Mandatory Sinking Fund Redemption need not be stated. If the Mandatory Sinking Fund Redemption is stated, such statement is provided for convenience only, and an error shall not invalidate this offer.

We understand that the Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly. Any such adjustment of the amount of any maturity shall result in a corresponding adjustment of the total principal amount of the Bonds offered. However, we understand that the winning bid will be awarded on the basis of the lowest true interest cost, calculated by the Corporation, based on the proposed schedule of maturities set forth below.

We understand that we will be required to deliver, within eight days of the award, our certificate setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations, acting in the capacity of underwriters or wholesalers), which Reoffering Prices shall be as stated herein. We further understand that we will be required to deliver a certificate at closing acknowledging that the reoffering price or yield on each maturity of the Bonds through the date of closing does not reflect insurance or other credit enhancement on all or any portion of the Bonds. Failure to deliver such certificates shall be a failure to comply with the terms of our proposal.

The principal of all Serial Bonds and Term Bonds, and each Mandatory Sinking Fund Redemption, must be in the amount of \$5,000 or an integral multiple of \$5,000.

This offer shall be null and void if, among other reasons stated herein and in the Notice of Sale, (i) an interest rate has not been stated for each Serial Bond specified in Table 1 and each Term Bond specified in Table 2 or (ii) the principal amount of the Serial Bonds and the Term Bonds set forth in this Table 1 do not together equal \$132,500,000.

**TABLE 1
SERIAL BONDS AND SINKING FUND REQUIREMENTS**

Year	Required Principal Payment (Serial Bonds maturing and Mandatory Sinking Fund Redemption must equal amounts stated below)	Rate (Complete only for years in which Serial Bonds mature)	Reoffering Price (Or Yield) to the Public	If a Required Principal Payment is to be split between Serial Bonds and a Mandatory Sinking Fund Redemption, the amount of the Serial Bonds must be stated and the Mandatory Sinking Fund Redemption may be stated.	
				Serial Bonds to Mature (State amount only if less than the Required Principal Payment)	Mandatory Sinking Fund Redemption (To be completed at the option of the bidder)
1998	\$ 7,770,000	6.75 %	6.75	\$ 7,770,000	\$
1999	8,430,000	6.90	6.90	8,430,000	
2000	9,140,000	7.10	7.10	9,140,000	
2001	9,915,000	7.20	7.20	9,915,000	
2002	10,750,000	7.30	7.30	10,750,000	
2003	11,660,000	7.40	7.40	11,660,000	
2004	12,645,000	7.50	7.50	12,645,000	
2005	13,715,000	7.60	7.60	13,715,000	
2006	14,870,000	7.70	7.70	14,870,000	
2007	16,120,000				16,120,000
2008	17,485,000	7.75	7.75	33,605,000	17,485,000

**TABLE 2
TERM BONDS**

Term Bonds	Reoffering Price (Or Yield) to the Public
\$ 33,605,000 Term Bonds maturing on July 1, 2008 at 7.75 % per annum	7.75
\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum	_____
\$ _____ Term Bonds maturing on July 1 _____ at _____ % per annum	_____

[Any bidder desiring to propose more than three (3) Term Bonds may do so in the space provided above or, if necessary, on a separate sheet to be attached to this Official Bid Form and entitled "Additional Term Bonds." The principal amount, maturity date and interest rate of each additional Term Bond is to be indicated in the following manner:

"\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum. Reoffering Price (Or Yield) to the Public _____."

We offer to pay the sum of \$ 131,000,750.00 [not to be less than 98% of the aggregate principal amount of the Bonds as stated herein], plus accrued interest to the date of delivery.

In accordance with the Notice of Sale, submitted herewith is a certified or cashier's check in the amount of One Million Dollars (\$1,000,000), drawn upon an incorporated bank or trust company located in New York City, payable to the order of the Municipal Assistance Corporation For The City of New York, to be applied in accordance with the Notice of Sale.

Respectfully Submitted,

Dean Viter Reynolds
Dean Viter Reynolds
Signature of Bidder

William R. Adlisch
William R. Adlisch
Signature of Representative

The following computation is submitted for information only and is not part of the proposal.

True Interest Cost 7.5857747 % Reoffering Yield _____ %

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

PROPOSAL FOR SERIES 64 BONDS OFFICIAL BID FORM

Executive Director
Municipal Assistance Corporation
For The City of New York
One World Trade Center (Suite 8901)
New York, New York 10048

Subject to the provisions and in accordance with the terms of the Notice of Sale, dated January 26, 1988, which is made a part of this proposal, we hereby offer to purchase all, but not less than all, of the \$132,500,000 Series 64 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below, subject to adjustment as provided herein. The Bonds shall bear interest from January 1, 1988, until their maturity or earlier redemption at the respective rates per annum stated below.

An interest rate is stated in Table 1 only for those years in which Serial Bonds, if any, mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemption. The amount of Serial Bonds maturing need not be stated if all of the Required Principal Payment is Serial Bonds. Where less than all of a Required Principal Payment in a year is represented by Serial Bonds maturing during such year, the principal amount of such Serial Bonds is also stated and the balance of such Required Principal Payment is to be made through Mandatory Sinking Fund Redemption.

The principal amount, maturity date and interest rate for each Term Bond, if any, are separately stated in Table 2 below. Each Mandatory Sinking Fund Redemption shall be allocated to the payment of the Term Bond maturing in the same year or the nearest subsequent year. If the principal amount of a Term Bond, as stated in Table 2, is inconsistent with the total of all Mandatory Sinking Fund Redemptions allocated to such Term Bond, the stated principal amount will be disregarded and the Mandatory Sinking Fund Redemptions will be used to determine the actual principal amount of such Term Bond. Because the amount of a Required Principal Payment not allocated to a Serial Bond maturity will constitute a Mandatory Sinking Fund Redemption, the amount of such Mandatory Sinking Fund Redemption need not be stated. If the Mandatory Sinking Fund Redemption is stated, such statement is provided for convenience only, and an error shall not invalidate this offer.

We understand that the Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly. Any such adjustment of the amount of any maturity shall result in a corresponding adjustment of the total principal amount of the Bonds offered. However, we understand that the winning bid will be awarded on the basis of the lowest true interest cost, calculated by the Corporation, based on the proposed schedule of maturities set forth below.

We understand that we will be required to deliver, within eight days of the award, our certificate setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations, acting in the capacity of underwriters or wholesalers), which Reoffering Prices shall be as stated herein. We further understand that we will be required to deliver a certificate at closing acknowledging that the reoffering price or yield on each maturity of the Bonds through the date of closing does not reflect insurance or other credit enhancement on all or any portion of the Bonds. Failure to deliver such certificates shall be a failure to comply with the terms of our proposal.

The principal of all Serial Bonds and Term Bonds, and each Mandatory Sinking Fund Redemption, must be in the amount of \$5,000 or an integral multiple of \$5,000.

This offer shall be null and void if, among other reasons stated herein and in the Notice of Sale, (i) an interest rate has not been stated for each Serial Bond specified in Table 1 and each Term Bond specified in Table 2 or (ii) the principal amount of the Serial Bonds and the Term Bonds set forth in this Table 1 do not together equal \$132,500,000.

**TABLE 1
SERIAL BONDS AND SINKING FUND REQUIREMENTS**

Year	Required Principal Payment (Serial Bonds maturing and Mandatory Sinking Fund Redemption must equal amounts stated below)	Rate (Complete only for years in which Serial Bonds mature)	Reoffering Price (Or Yield) to the Public	If a Required Principal Payment is to be split between Serial Bonds and a Mandatory Sinking Fund Redemption, the amount of the Serial Bonds must be stated and the Mandatory Sinking Fund Redemption may be stated	
				Serial Bonds to Mature (State amount only if less than the Required Principal Payment)	Mandatory Sinking Fund Redemption (To be completed at the option of the bidder)
1998	\$ 7,770,000	6.75 %	100	\$	\$
1999	8,430,000	6.90			
2000	9,140,000	7.10			
2001	9,915,000	7.20			
2002	10,750,000	7.30			
2003	11,660,000	7.40			
2004	12,645,000	7.50			
2005	13,715,000	7.60			
2006	14,870,000				
2007	16,120,000				
2008	17,485,000				

**TABLE 2
TERM BONDS**

Term Bonds	Reoffering Price (Or Yield) to the Public
\$ 48,475,000 Term Bonds maturing on July 1, 2008 at 7.625 % per annum	99.50
\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum	_____
\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum	_____

[Any bidder desiring to propose more than three (3) Term Bonds may do so in the space provided above or, if necessary, on a separate sheet to be attached to this Official Bid Form and entitled "Additional Term Bonds." The principal amount, maturity date and interest rate of each additional Term Bond is to be indicated in the following manner.

"\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum, Reoffering Price (Or Yield) to the Public _____"]

We offer to pay the sum of \$130,333,250.00 (not to be less than 98% of the aggregate principal amount of the Bonds as stated herein), plus accrued interest to the date of delivery.

In accordance with the Notice of Sale, submitted herewith is a certified or cashier's check in the amount of One Million Dollars (\$1,000,000), drawn upon an incorporated bank or trust company located in New York City, payable to the order of the Municipal Assistance Corporation For The City of New York, to be applied in accordance with the Notice of Sale.

Respectfully Submitted,
MERRILL LYNCH CAPITAL MARKETS

Name of Bidder
David Anderson
Signature of Representative
Vice President

The following computation is submitted for information only and is not part of the proposal.

True Interest Cost 7.563%²¹ Reoffering Yield _____ %

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

PROPOSAL FOR SERIES 64 BONDS OFFICIAL BID FORM

Executive Director
Municipal Assistance Corporation
For The City of New York
One World Trade Center (Suite 8901)
New York, New York 10048

Subject to the provisions and in accordance with the terms of the Notice of Sale, dated January 26, 1988, which is made a part of this proposal, we hereby offer to purchase all, but not less than all, of the \$132,500,000 Series 64 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below, subject to adjustment as provided herein. The Bonds shall bear interest from January 1, 1988, until their maturity or earlier redemption at the respective rates per annum stated below.

An interest rate is stated in Table 1 only for those years in which Serial Bonds, if any, mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemption. The amount of Serial Bonds maturing need not be stated if all of the Required Principal Payment is Serial Bonds. Where less than all of a Required Principal Payment in a year is represented by Serial Bonds maturing during such year, the principal amount of such Serial Bonds is also stated and the balance of such Required Principal Payment is to be made through Mandatory Sinking Fund Redemption.

The principal amount, maturity date and interest rate for each Term Bond, if any, are separately stated in Table 2 below. Each Mandatory Sinking Fund Redemption shall be allocated to the payment of the Term Bond maturing in the same year or the nearest subsequent year. If the principal amount of a Term Bond, as stated in Table 2, is inconsistent with the total of all Mandatory Sinking Fund Redemptions allocated to such Term Bond, the stated principal amount will be disregarded and the Mandatory Sinking Fund Redemptions will be used to determine the actual principal amount of such Term Bond. Because the amount of a Required Principal Payment not allocated to a Serial Bond maturity will constitute a Mandatory Sinking Fund Redemption, the amount of such Mandatory Sinking Fund Redemption need not be stated. If the Mandatory Sinking Fund Redemption is stated, such statement is provided for convenience only, and an error shall not invalidate this offer.

We understand that the Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly. Any such adjustment of the amount of any maturity shall result in a corresponding adjustment of the total principal amount of the Bonds offered. However, we understand that the winning bid will be awarded on the basis of the lowest true interest cost, calculated by the Corporation, based on the proposed schedule of maturities set forth below.

We understand that we will be required to deliver, within eight days of the award, our certificate setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations, acting in the capacity of underwriters or wholesalers), which Reoffering Prices shall be as stated herein. We further understand that we will be required to deliver a certificate at closing acknowledging that the reoffering price or yield on each maturity of the Bonds through the date of closing does not reflect insurance or other credit enhancement on all or any portion of the Bonds. Failure to deliver such certificates shall be a failure to comply with the terms of our proposal.

The principal of all Serial Bonds and Term Bonds, and each Mandatory Sinking Fund Redemption, must be in the amount of \$5,000 or an integral multiple of \$5,000.

This offer shall be null and void if, among other reasons stated herein and in the Notice of Sale, (i) an interest rate has not been stated for each Serial Bond specified in Table 1 and each Term Bond specified in Table 2 or (ii) the principal amount of the Serial Bonds and the Term Bonds set forth in this Table 1 do not together equal \$132,500,000.

**TABLE 1
SERIAL BONDS AND SINKING FUND REQUIREMENTS**

Year	Required Principal Payment (Serial Bonds maturing and Mandatory Sinking Fund Redemption must equal amounts stated below)	Rate (Complete only for years in which Serial Bonds mature)	Reoffering Price (Or Yield) to the Public	If a Required Principal Payment is to be split between Serial Bonds and a Mandatory Sinking Fund Redemption, the amount of the Serial Bonds must be stated and the Mandatory Sinking Fund Redemption may be stated	
				Serial Bonds to Mature (State amount only if less than the Required Principal Payment)	Mandatory Sinking Fund Redemption (To be completed at the option of the bidder)
1998	\$ 7,770,000	6.90 %	100	\$	\$
1999	8,430,000	7.00	100		
2000	9,140,000	7.10	100		
2001	9,915,000	7.25	100		
2002	10,750,000	7.40	100		
2003	11,660,000	7.50	100		
2004	12,645,000	7.60	100		
2005	13,715,000				13,715,000
2006	14,870,000				14,870,000
2007	16,120,000				16,120,000
2008	17,485,000				17,485,000

**TABLE 2
TERM BONDS**

Term Bonds	Reoffering Price (Or Yield) to the Public
\$ <u>62,190,000</u> Term Bonds maturing on July 1, <u>2008</u> at <u>7.75</u> % per annum	<u>99.5</u>
\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum	_____
\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum	_____

[Any bidder desiring to propose more than three (3) Term Bonds may do so in the space provided above or, if necessary, on a separate sheet to be attached to this Official Bid Form and entitled "Additional Term Bonds." The principal amount, maturity date and interest rate of each additional Term Bond is to be indicated in the following manner:

"\$ _____ Term Bonds maturing on July 1, _____ at _____ % per annum. Reoffering Price (Or Yield) to the Public _____"]

We offer to pay the sum of \$ 130,665,300.00 [not to be less than 98% of the aggregate principal amount of the Bonds as stated herein], plus accrued interest to the date of delivery.

In accordance with the Notice of Sale, submitted herewith is a certified or cashier's check in the amount of One Million Dollars (\$1,000,000), drawn upon an incorporated bank or trust company located in New York City, payable to the order of the Municipal Assistance Corporation For The City of New York, to be applied in accordance with the Notice of Sale.

Respectfully Submitted,

Morgan Stanley & Co., Incorporated

Andrew F. Rowley
Signature of Representative
Andrew F. Rowley, Vice President

The following computation is submitted for information only and is not part of the proposal.

True Interest Cost _____ % Reoffering Yield _____ %

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

PROPOSAL FOR SERIES 64 BONDS OFFICIAL BID FORM

Executive Director
Municipal Assistance Corporation
For The City of New York
One World Trade Center (Suite 8901)
New York, New York 10048

Subject to the provisions and in accordance with the terms of the Notice of Sale, dated January 26, 1988, which is made a part of this proposal, we hereby offer to purchase all, but not less than all, of the \$132,500,000 Series 64 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below, subject to adjustment as provided herein. The Bonds shall bear interest from January 1, 1988, until their maturity or earlier redemption at the respective rates per annum stated below.

An interest rate is stated in Table 1 only for those years in which Serial Bonds, if any, mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemption. The amount of Serial Bonds maturing need not be stated if all of the Required Principal Payment is Serial Bonds. Where less than all of a Required Principal Payment in a year is represented by Serial Bonds maturing during such year, the principal amount of such Serial Bonds is also stated and the balance of such Required Principal Payment is to be made through Mandatory Sinking Fund Redemption.

The principal amount, maturity date and interest rate for each Term Bond, if any, are separately stated in Table 2 below. Each Mandatory Sinking Fund Redemption shall be allocated to the payment of the Term Bond maturing in the same year or the nearest subsequent year. If the principal amount of a Term Bond, as stated in Table 2, is inconsistent with the total of all Mandatory Sinking Fund Redemptions allocated to such Term Bond, the stated principal amount will be disregarded and the Mandatory Sinking Fund Redemptions will be used to determine the actual principal amount of such Term Bond. Because the amount of a Required Principal Payment not allocated to a Serial Bond maturity will constitute a Mandatory Sinking Fund Redemption, the amount of such Mandatory Sinking Fund Redemption need not be stated. If the Mandatory Sinking Fund Redemption is stated, such statement is provided for convenience only, and an error shall not invalidate this offer.

We understand that the Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly. Any such adjustment of the amount of any maturity shall result in a corresponding adjustment of the total principal amount of the Bonds offered. However, we understand that the winning bid will be awarded on the basis of the lowest true interest cost, calculated by the Corporation, based on the proposed schedule of maturities set forth below.

We understand that we will be required to deliver, within eight days of the award, our certificate setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Bonds were sold to the public (excluding bond houses, brokers or similar persons or organizations, acting in the capacity of underwriters or wholesalers), which Reoffering Prices shall be as stated herein. We further understand that we will be required to deliver a certificate at closing acknowledging that the reoffering price or yield on each maturity of the Bonds through the date of closing does not reflect insurance or other credit enhancement on all or any portion of the Bonds. Failure to deliver such certificates shall be a failure to comply with the terms of our proposal.

The principal of all Serial Bonds and Term Bonds, and each Mandatory Sinking Fund Redemption, must be in the amount of \$5,000 or an integral multiple of \$5,000.

This offer shall be null and void if, among other reasons stated herein and in the Notice of Sale, (i) an interest rate has not been stated for each Serial Bond specified in Table 1 and each Term Bond specified in Table 2 or (ii) the principal amount of the Serial Bonds and the Term Bonds set forth in this Table 1 do not together equal \$132,500,000.

**TABLE 1
SERIAL BONDS AND SINKING FUND REQUIREMENTS**

Year	Required Principal Payment (Serial Bonds maturing and Mandatory Sinking Fund Redemption must equal amounts stated below)	Rate (Complete only for years in which Serial Bonds mature)	Reoffering Price (Or Yield) to the Public	If a Required Principal Payment is to be split between Serial Bonds and a Mandatory Sinking Fund Redemption, the amount of the Serial Bonds must be stated and the Mandatory Sinking Fund Redemption may be stated	
				Serial Bonds to Mature (State amount only if less than the Required Principal Payment)	Mandatory Sinking Fund Redemption (To be completed at the option of the bidder)
1998	\$ 7,770,000	7.00 %	6.80	\$	\$
1999	8,430,000	7.00	100.00		
2000	9,140,000	7.00	7.10		
2001	9,915,000	7.10	7.20		
2002	10,750,000	7.20	7.30		
2003	11,660,000	7.30	7.40		
2004	12,645,000	7.40	7.50		
2005	13,715,000	7.50	7.60		
2006	14,870,000				
2007	16,120,000				
2008	17,485,000				

**TABLE 2
TERM BONDS**

Reoffering Price (Or Yield) to the Public
\$48,475,000 Term Bonds maturing on July 1, 2008 at 7.70% per annum 99.50
\$ _____ Term Bonds maturing on July 1, _____ at _____% per annum _____
\$ _____ Term Bonds maturing on July 1, _____ at _____% per annum _____

[Any bidder desiring to propose more than three (3) Term Bonds may do so in the space provided above or, if necessary, on a separate sheet to be attached to this Official Bid Form and entitled "Additional Term Bonds." The principal amount, maturity date and interest rate of each additional Term Bond is to be indicated in the following manner:

"\$ _____ Term Bonds maturing on July 1, _____ at _____% per annum. Reoffering Price (Or Yield) to the Public _____"

We offer to pay the sum of \$130,449,084, (not to be less than 98% of the aggregate principal amount of the Bonds as stated herein), plus accrued interest to the date of delivery.

In accordance with the Notice of Sale, submitted herewith is a certified or cashier's check in the amount of One Million Dollars (\$1,000,000), drawn upon an incorporated bank or trust company located in New York City, payable to the order of the Municipal Assistance Corporation For The City of New York, to be applied in accordance with the Notice of Sale.

Respectfully Submitted,

J.P. MORGAN SECURITIES, INC.,
AND ASSOCIATES
Robert A. White - Vice President
(Signature)
Signature of Representative

The following computation is submitted for information only and is not part of the proposal.

True Interest Cost 7.914% Reoffering Yield _____%

MEMORANDUM

Date: 27 January 1988
To: Board of Directors
From: Steve Weinstein
Re: Sale Results -- Series 64

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Today's competitive refunding produced four close proposals, with Merrill Lynch winning the bonds, as detailed in the attached press release.

The present value savings from this transaction will be approximately \$11.5 million, with debt service savings of approximately \$22.9 million over the life of the bonds.

These results are attributable to improved market conditions producing attractive bids and dissipating negative arbitrage.

Attachment

aa:201

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 IMMEDIATE RELEASE: WEDNESDAY
JANUARY 27, 1988
2:00 P.M.**

CONTACT: STEPHEN J. WEINSTEIN

THE MUNICIPAL ASSISTANCE CORPORATION TODAY ANNOUNCED THE RESULTS OF ITS COMPETITIVE SALE OF \$134.485 MILLION PRINCIPAL AMOUNT OF ITS SERIES 64 BONDS AFTER RECEIPT OF FOUR PROPOSALS. THE BONDS WERE AWARDED TODAY TO A GROUP LED BY MERRILL LYNCH CAPITAL MARKETS.

BIDS WERE AWARDED ON THE BASIS OF THE LOWEST TRUE INTEREST COST, AS CALCULATED BY THE CORPORATION, WHICH WAS 7.5639%. THE COMPETING BIDS WERE SUBMITTED BY DEAN WITTER REYNOLDS, J.P. MORGAN SECURITIES INC. AND ASSOCIATES, AND MORGAN STANLEY & CO. INCORPORATED, AT TRUE INTEREST COSTS OF 7.5858%, 7.5930%, AND 7.6871%, RESPECTIVELY.

THE SERIES 64 BONDS WILL MATURE AND BEAR INTEREST AS FOLLOWS:

<u>MATURITY</u>	<u>AMOUNT</u>	<u>RATE</u>
1998	\$ 7,885,000	6.75 %
1999	8,560,000	6.90
2000	9,275,000	7.10
2001	10,065,000	7.20
2002	10,910,000	7.30
2003	11,835,000	7.40
2004	12,835,000	7.50
2005	13,920,000	7.60
2008	49,200,000	7.625

THE SERIES 64 BONDS ARE EXPECTED TO BE RATED "A+" BY STANDARD & POOR'S CORPORATION, "A1" BY MOODY'S INVESTORS SERVICE, INC. AND "AA-" BY FITCH INVESTORS SERVICE, INC.

DELIVERY OF THE SERIES 64 BONDS IS EXPECTED TO BE MADE ON FEBRUARY 11, 1988.

#

:104

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

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

26 January 1988

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

Ladies and Gentlemen:

In various letters, the most recent dated November 3, 1987, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of January 27, 1988 of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated November 3, 1987 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.

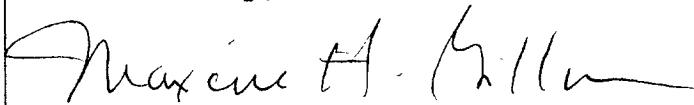
*Municipal Assistance Corporation
For The City of New York*

26 January 1988
PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

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

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

26 January 1988

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

Ladies and Gentlemen:

In various letters, the most recent dated November 2, 1987, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them, as of January 27, 1988, of any information which you may have obtained subsequent to November 2, 1987, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

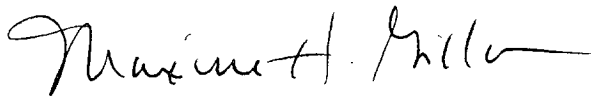
We have advised Price Waterhouse that there are no possible claims or assessments that you have advised are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards Number 5.

26 January 1988
ORRICK, HERRINGTON & SUTCLIFFE
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

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 January 1988

Mr. John Daniels
DOREMUS & CO.
120 Broadway
New York, New York 10271

Re: Series 64 Bonds - Notice of Sale and Official Bid Form

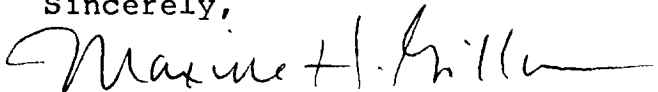
Dear Mr. Daniels:

This letter is to authorize you to publish "Version A" of the Notice of Sale for the Corporation's Series 64 Bonds in The Bond Buyer on Tuesday, January 26, 1988, and to order 200 reprints of each of the "Version A" Notice of Sale and Official Bid Form (copies enclosed) for delivery to this office no later than 9:00 A.M. on Tuesday, January 26, 1988.

Please provide a written estimate of the associated costs.

Thank you.

Sincerely,



Maxine H. Gillman
Counsel

Enclosures (2)

ba:l22

NOTICE OF SALE

\$132,500,000***MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK**

Series 64 Bonds

Sealed proposals will be received by the Municipal Assistance Corporation For The City of New York at its offices at One World Trade Center (Suite 8901), New York, N.Y., until 11:00 A.M., Eastern Time, on January 27, 1988, for the purchase of \$132,500,000* Series 64 Bonds (hereinafter referred to as "Bonds"), maturing or coming due through mandatory sinking fund payments on July 1, 1998 and annually thereafter to and including July 1, 2008. The amount of Bonds offered hereby may be adjusted as provided in the last paragraph of this notice of sale. Principal amounts to be paid in each year have been determined by the Corporation as set forth on the Official Bid Form; however, each bidder shall determine the years in which the Bonds will mature and the sinking fund payments related thereto in accordance with the Official Bid Form.

The Bonds, as authorized by the New York State Municipal Assistance Corporation Act, as amended by the Municipal Assistance Corporation For The City of New York Act, said acts being Titles I, II and III of Article 10 of the Public Authorities Law of the State of New York, will be issued pursuant to the Corporation's Second General Bond Resolution to refund and provide for the payment of all of the Corporation's outstanding Series 23 Bonds, all as more fully described in the Preliminary Official Statement dated January 26, 1988.

All of the Bonds will be dated January 1, 1988, with interest payable semiannually on January 1 and July 1 of each year, commencing July 1, 1988 by check or draft mailed to the registered owner, and will mature or be payable through mandatory sinking fund payments on July 1 in each year as set forth on the Official Bid Form. The Bonds will be issued as fully registered Bonds in the denomination of \$5,000 or any integral multiple of \$5,000, as shall be specified by the successful bidder within seven (7) days after the award of the Bonds.

The Bonds maturing after July 1, 1998 are redeemable at the option of the Corporation at such times and at such redemption prices as are set forth in the Preliminary Official Statement. Principal of the Bonds is payable at United States Trust Company of New York, the Trustee under the Second General Bond Resolution.

The Bonds are general obligations of the Corporation and are additionally secured by a pledge of and lien on the funds and accounts established by the Second General Bond Resolution, all as more fully described in the Preliminary Official Statement. The State of New York and The City of New York are not liable on the Bonds and the Bonds are not a debt of the State or the City.

Proposals must be for all of the Bonds and shall: (1) be submitted on the Official Bid Form furnished by the Corporation; (2) prescribe the rate or rates of interest to be borne by the Bonds, which rate or rates shall be greater than zero and in a multiple of one-eighth or one-twentieth of one per centum, provided that all Bonds of the same maturity must bear a single rate of interest and provided further that, the interest rate for any maturity must be equal to or greater than the interest rate for the immediately preceding maturity and may not exceed the interest rate for any other maturity by more than two percentage points; (3) set forth years in which the Bonds will mature and the sinking fund payments related thereto, if any; and (4) not be conditioned upon obtaining insurance or any other credit enhancement for all or any portion of the Bonds. The Bonds shall not be reoffered for sale by the successful bidder, either directly or indirectly, prior to the closing with insurance or other credit enhancement. The purchase price for the Bonds shall not be less than 98% of the aggregate principal amount of the Bonds as stated herein, plus accrued interest to the date of delivery, and the purchase price for each maturity shall not be less than 80% of the principal amount of each maturity.

The award, if any, will be made to the responsible bidder complying with the terms of sale and offering to purchase the Bonds at the lowest true interest cost to the Corporation, calculated by the Corporation. The true interest cost will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to January 1, 1988 results in an amount equal to the purchase price for the Bonds, excluding interest to the date of delivery. If there is more than one proposal resulting in the same lowest true interest cost, the Corporation, in its sole discretion, will select the successful bidder, if any, from among such proposals.

In order to be considered, each bid must be unconditional and must be accompanied by a certified or cashier's check payable to the Municipal Assistance Corporation For The City of New York in the amount of \$1,000,000 and drawn upon an incorporated bank or trust company located in New York City. The check of the successful bidder will be cashed and the proceeds thereof invested by the Corporation. All other checks will be returned promptly after the award of the Bonds. No interest upon the deposit of the successful bidder will be credited to the successful bidder. The deposit of the successful bidder will be applied as a part payment for the Bonds or, if such bidder fails to comply with the terms of its proposal, will be retained as liquidated damages in full satisfaction of any claim of the Corporation against the successful bidder or, if the Corporation fails to fulfill the conditions stated in the proposal, the deposit, without interest, will be returned. Certificates will be required as provided herein and in the Bid Form.

All proposals shall remain firm until 4:00 P.M., Eastern Time, on January 27, 1988, and an award of the Bonds or rejection of the proposals will be made by the Corporation no later than 4:00 P.M., Eastern Time, on January 27, 1988.

All proposals must be enclosed in a sealed envelope marked "Proposal for Series 64 Bonds" and be directed to Executive Director, Municipal Assistance Corporation For The City of New York, One World Trade Center (Suite 8901), New York, N.Y. 10048.

The Corporation reserves the right to waive any irregularity in any proposal and to reject any and all proposals.

The successful bidder will be required to pay for the Bonds by check payable in Federal funds to the order of the Corporation upon delivery of the Bonds. The successful bidder will also be required to deliver (1) within eight days of the award, a certificate as to initial reoffering prices of the Bonds to the public, for the purpose of establishing compliance with the Internal Revenue Code of 1986, as amended, and (2) a certificate, at closing, acknowledging that the reoffering price or yield on each maturity of the Bonds does not reflect insurance or other credit enhancement on all or any portion of the Bonds. Delivery of the Bonds is expected to be made at the Corporation's offices on or about February 11, 1988 but not later than February 18, 1988.

On the date of delivery, the successful bidder will be furnished with the approving opinion of Orrick, Herrington & Sutcliffe, bond counsel to the Corporation, together with copies of all of the documents delivered at the closing.

Copies of the Series 64 Resolution and a final Official Statement will be provided by the Corporation to the successful bidder, not later than February 3, 1988, in such reasonable quantities as may be requested by the successful bidder.

Copies of the Notice of Sale, the Official Bid Form and the Preliminary Official Statement relating to the issuance of the Bonds may be obtained from the Corporation's offices at the address indicated below, beginning January 26, 1988.

*The Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly. Any such adjustment of the amount of any maturity shall result in a corresponding adjustment of the total principal amount of the Bonds offered hereby. Any such adjustment shall be made not later than 10:00 A.M., Eastern Time on January 28, 1988.

Municipal Assistance Corporation
For The City of New York
One World Trade Center (Suite 8901)
New York, New York 10048
(Telephone 212-775-0010)

Dated: January 26, 1988

MAF RED—
Municipal Assistance-Notice of Sale
Prepared by:

Doremus & Company

120 Broadway, New York, NY 10271 212-964-0700

P. 1.2

(Version A)

1125/R/R / R/R / R/R / R/R /

CKT09/DR2/gv/jm*

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CTS 867(048, 048a) Century/FrizQuadrant(d)-12/1/88

MUNICIPAL ASSISTANCE CORPORATION FOR THE CITY OF NEW YORK

PROPOSAL FOR SERIES 64 BONDS OFFICIAL BID FORM

Executive Director Municipal Assistance Corporation For The City of New York One World Trade Center (Suite 8901) New York, New York 10048

Subject to the provisions and in accordance with the terms of the Notice of Sale, dated January 26, 1988, which is made a part of this proposal, we hereby offer to purchase all, but not less than all, of the \$132,500,000 Series 64 Bonds of the Municipal Assistance Corporation For The City of New York described in the Notice of Sale and below, subject to adjustment as provided herein.

An interest rate is stated in Table 1 only for those years in which Serial Bonds, if any, mature and applies only to such Serial Bonds. No rate is stated for any year in which all of the Required Principal Payment is to be made through Mandatory Sinking Fund Redemption.

The principal amount, maturity date and interest rate for each Term Bond, if any, are separately stated in Table 2 below. Each Mandatory Sinking Fund Redemption shall be allocated to the payment of the Term Bond maturing in the same year or the nearest subsequent year.

We understand that the Corporation has reserved the right to increase or decrease the principal amount of any maturity by an amount not to exceed 5% per maturity following bid opening and to adjust the price accordingly.

We understand that we will be required to deliver, within eight days of the award, our certificate setting forth the initial Reoffering Prices (or yields) at which at least the first ten percent (10%) of each maturity of the Bonds were sold to the public.

The principal of all Serial Bonds and Term Bonds, and each Mandatory Sinking Fund Redemption, must be in the amount of \$5,000 or an integral multiple of \$5,000.

This offer shall be null and void if, among other reasons stated herein and in the Notice of Sale, (i) an interest rate has not been stated for each Serial Bond specified in Table 1 and each Term Bond specified in Table 2 or (ii) the principal amount of the Serial Bonds and the Term Bonds set forth in this Table 1 do not together equal \$132,500,000.

TABLE 1 SERIAL BONDS AND SINKING FUND REQUIREMENTS

Table with 5 columns: Year, Required Principal Payment, Rate, Reoffering Price, and Serial Bonds to Mature. Rows for years 1998-2008.

TABLE 2 TERM BONDS

Table with 3 columns: Term Bonds maturing on July 1, at % per annum, and Reoffering Price (Or Yield) to the Public.

[Any bidder desiring to propose more than three (3) Term Bonds may do so in the space provided above or, if necessary, on a separate sheet to be attached to this Official Bid Form and entitled "Additional Term Bonds."]

We offer to pay the sum of \$ [not to be less than 98% of the aggregate principal amount of the Bonds as stated herein], plus accrued interest to the date of delivery.

In accordance with the Notice of Sale, submitted herewith is a certified or cashier's check in the amount of One Million Dollars (\$1,000,000), drawn upon an incorporated bank or trust company located in New York City, payable to the order of the Municipal Assistance Corporation For The City of New York, to be applied in accordance with the Notice of Sale.

Respectfully Submitted,

Name of Bidder Signature of Representative

The following computation is submitted for information only and is not part of the proposal

True Interest Cost % Reoffering Yield %

MAF RED - Municipal Assistance Letter of Transmittal Doremus & Company 120 Broadway, New York, NY 10271 212 964-0700

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 January 1988

Ms. Deborah Fennelly
6 Shear Court
Waterford, New York 12188

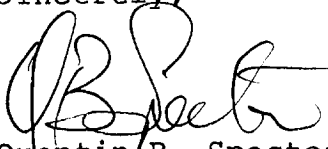
Dear Ms. Fennelly:

Thank you for your recent letter regarding a position here at the Municipal Assistance Corporation.

I'm sorry that the Corporation's staff no longer includes a position for a public information specialist.

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

Sincerely,



Quentin B. Spector
Treasurer and
Deputy Executive Director

ba:116

January 11, 1988

NYS Municipal Assistance Corp.
Suite 8901
One World Trade Center
New York, NY 10048
Att'n: Ms. Margaret Scott

Dear Ms. Scott:

Please review my resume and fact sheets in consideration for a position within your office. I have taken the Associate Public Information Specialist exam in October 87.

I have 10 years of professional experience in the public, private, and independent sectors. Major areas of competencies include communication (writing, editing, PR, research), administration and education. I have acquired a variety of skills relevant to an administrative position, including those of public information writing and production skills, training and supervisory.

I have written public information pieces for two large area nonprofits, as well as served as a consultant for such work in a variety of freelance endeavors. I have written for all media, and for a variety of audiences and purposes. For three years, I compiled and edited a media directory geared for the nonprofit who wants more access to the local media.

I have a very extensive background in training, and especially enjoy this aspect of my career. I have participated in training local, statewide and, on occasion, nationally based groups, in areas ranging from Board Training to the basics of delegation. I have worked most often as part of a planning, training or education team. I have successfully planned and conducted a majority of these workshops and seminars. Long range training efforts have been with human service administrators or personnel, who then , in turn, trained their staffs, clients and volunteers. I have researched, compiled, edited and overseen production of manuals involving personnel policies, recruitment, and governing structures for various agencies. Such undertakings, also often required development of testing and evaluation instruments.

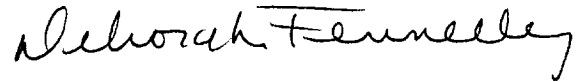
As administrator for two, multi-service agencies based in Rensselaer and Albany counties, I have supervised the dedicated efforts of professional, volunteer and consultant staff. I enjoy program development, policy development and strategic planning.

more

My education has involved content primarily within the field of communication. I have a solid background in research design for the social science, interpersonal theory and the mass media.

I seek the opportunity to use the writing and communication skills that I possess, while not ignoring the background that I have acquired in human service and administration. Thank you for your consideration and I do welcome the opportunity to discuss my background and specifics regarding opportunities in your office.

Sincerely,

A handwritten signature in cursive script that reads "Deborah Fennelly". The signature is written in dark ink and is positioned above the typed name.

Deborah Fennelly

DEBORAH A. FENNELLY

- OBJECTIVE:** Responsibilities within a multi service agency requiring communication, training and administrative skills.
- EXPERIENCE:** **CONSULTANT,**
Program development, public relations and training for human service providers (present)
- New York State Abuse and Maltreatment Register, Albany, NY
CHILD PROTECTIVE SPECIALIST, 1986 to 1987
- Volunteer Center of Albany, Inc., Albany, NY
Community Service Sentencing Program of Albany, Inc.
EXECUTIVE DIRECTOR, 1984 to 1986
- Unity Sunshine Education Center, Troy, NY
PROGRAM DIRECTOR, 1982 to 1984
- John Meade Advertising Agency, Delmar, CA
COPY WRITER, 1980 to 1982
- New York State Department of Health, Albany, NY
MEDIA SPECIALIST, 1979 to 1980
- BOCES Albany, Schenectady, Schoharie, NY
MEDIA SPECIALIST, 1977 to 1979
- BACKGROUND SUMMARY:** *Overall administrative, fiscal and personnel management*
Agency and program development
Supervision — daily, operational functioning and staff
Compiling of demographic and statistical data
Needs assessment; media utilization
Generic: company specific technical training curriculum
Planning and evaluation of service delivery
Training community boards and agency staff
Publications — in-house and contracted
Interview for purposes of placement, education, investigation and employment
Fund Raiser — special events, marketing new products
- EDUCATION:** **M.S.** Public Administration in progress, Russell Sage College, Troy, NY
- M.S. Communication & Rhetoric, 1984, State University of New York at Albany**
- B.S.** Mass Media, 1977, Plattsburgh State College, Plattsburgh, NY
- FREELANCE:** Northlake Youth Services, Seattle, WA K11E News, Albany, NY
Woman Locally, Albany, NY Police Product News, Carlsbad, CA
Matthew Bender & Co., Albany, NY Western Saltwater Fisherman, Carlsbad, CA
- COMMUNITY SERVICE:** Board of Directors, Haven Inc., Schenectady, NY
American Red Cross, Rensselaer Chapter
- PROFESSIONAL MEMBERSHIPS:** International Women's Writing Guild; Business & Professional Women, Capital District Chapter; Rensselaer County Council Arts; Volunteer Administrators Association, Capital District; New York State Task Force, Child Abuse Neglect; Women's Building Project

Deborah A. Fennelly
6 Shear Ct
Waterford NY 12188
518 235-7970

EXPERIENCE > COMMUNICATION/PR SPECIALIST

Editing: Technical, Newspaper, Magazine, Education, Advertising

MAGAZINES: Assoc. Editor, Feature Writer

NEWSPAPER: Features, Lifestyle, Wedding, Obits.

Press Packets: Annual fund raisers for nonprofits; galas.

RESEARCH: Health, Communication Design; Data Interpretation
and reporting

VIDEO: Production 3/4" format

Critique: theatre, dance, motion picture

COPYWRITING: legal, health, recruitment, advertising

Ad Campaigns: legal texts, DES (see portfolio)

BROCHURES: copy, photos, layout, design. Multiple.

NEWSLETTERS: employees, membership, constituency

Oral: Keynote speaker, Master of ceremonies, persuasive, info

**portfolio, samples, upon request

Deborah A. Fennelly
6 Shear Ct.
Waterford, NY 12188
518 235-7970

EXPERIENCE AS TRAINER:

Planned & conducted workshops for all Capital District Agencies who use volunteers. Attendance up to 100 human service administrators.

Conducted two statewide workshops for Directors of United Ways and city offices of human resources.

Planned/Evaluated shoplifting deterrent program for Albany County offenders. Recidivism measures developed.

Trained agency heads and coordinators in use of the inmate as volunteer in conjunction w/Hudson Correctional Work Release program.

Mental Health - Established training opportunities, evaluation procedures for transitional program with MHA.

Board Training planned & implemented training program for various nonprofit boards independently, as well as w/assistance of Junior League of Albany.

Personnel planned, researched, developed, interpreted policy.

Delegation workshop to 40 professionals annually for 3 yrs.

Child Protective policy & procedure to Capital District Travelers Aide, School districts

Health Coordinator, all Health Fairs at Empire State Plaza

Self Help Group Clearinghouse presentations to groups of 20; seminar format, subject- PR/Media for the nonprofit.

Consultant NYS Dept Civil Service Comprehensive Oral Exams

Instruction: Video equipment use and maintenance to students & faculty in 4-county area for BOCES

Interpreter Admission policy, Higher Education

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: 3:30 P.M., MONDAY, JANUARY 25, 1988
CONTACT: STEPHEN J. WEINSTEIN, EXECUTIVE DIRECTOR

THE MUNICIPAL ASSISTANCE CORPORATION ANNOUNCED TODAY THAT IT INTENDS TO SELL APPROXIMATELY \$133 MILLION OF ITS SERIES 64 BONDS ON A COMPETITIVE BASIS. AT ITS MEETING TODAY, THE CORPORATION'S BOARD OF DIRECTORS AUTHORIZED THE SOLICITATION OF PROPOSALS FOR THE PURCHASE OF THE SERIES 64 BONDS. THE CORPORATION EXPECTS TO SOLICIT SUCH PROPOSALS TOMORROW, JANUARY 26, 1988, AND TO RECEIVE BIDS ON WEDNESDAY, JANUARY 27, 1988.

THE PROCEEDS OF THE PROPOSED SALE WILL BE USED TO REFUND ALL OF THE CORPORATION'S OUTSTANDING SERIES 23 BONDS. THE SERIES 23 BONDS ARE OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF \$125 MILLION, MATURE ON JULY 1, 2008, AND BEAR INTEREST AT THE RATE OF 9.10%.

UNDER THE PLAN OF REFUNDING, ALL OUTSTANDING SERIES 23 BONDS WILL BE REDEEMED ON JULY 1, 1990 AT A PRICE OF 102% OF THE PRINCIPAL AMOUNT.

THE SERIES 64 BONDS ARE EXPECTED TO BE DELIVERED ON OR ABOUT FEBRUARY 11, 1988.

THE BOARD OF DIRECTORS ALSO AUTHORIZED THE SOLICITATION AT A LATER DATE OF PROPOSALS FOR THE COMPETITIVE SALE OF \$110 MILLION OF ITS SERIES 65 BONDS TO REFUND ITS OUTSTANDING SERIES 19 BONDS. THE SALE OF THE SERIES 65 BONDS AND THE REFUNDING OF THE SERIES 19 BONDS WILL BE UNDERTAKEN AT A LATER DATE DURING THE CORPORATION'S CURRENT FISCAL YEAR ENDING JUNE 30, 1988.

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

PROMPT PAYMENT REGULATIONS

Adopted January 25, 1988

I. Purpose

A. Adoption. These Guidelines are adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York, effective as of January 25, 1988, pursuant to Section 2880 of the Public Authorities Law of the State of New York.

B. Scope. These Guidelines specify the policies and procedures relating to the payment of contracts entered into by the Municipal Assistance Corporation on or after the date of adoption. For purposes of these Guidelines, a contract is an agreement for a person or persons who are not providing such service as officers or employees of the Corporation or of any other public corporation or agency of the State of New York to sell or lease materials, equipment or supplies or render or provide services to the Corporation.

C. Amendment. These Guidelines may be amended by the Board of Directors from time to time as circumstances warrant.

II. Procedures

A. Invoices. In order to initiate any payment pursuant to a contract, a contractor shall be required to submit a proper invoice to the Corporation, except where the contract provides that the contractor will be paid at predetermined intervals. A proper invoice shall contain a written request for contract payment and shall set forth the description, price and quantity of goods or services delivered or rendered, in such form and supported by such other substantiating documentation as the Corporation may reasonably require.

B. Schedule of Payment

1. The Corporation shall make payment under a contract within forty-five calendar days after receipt of an invoice for the amount of the payment then due, for each invoice received prior to July 1, 1989. For each invoice received on or after July 1, 1989, the Corporation shall make payment within thirty calendar days (excluding legal holidays) after receipt of such invoice for the amount of the payment then due. Where the contract provides that the contractor will be paid at predetermined intervals, payments shall be made by the payment due date specified in accordance with the contract.

Failure to make payment in accordance with the preceding paragraph shall result in the Corporation becoming liable for payment of interest as specified in Section III(A)(1) of these Guidelines.

2. The Corporation shall have fifteen calendar days after receipt of an invoice to notify the contractor of:

a. defects in the delivered goods or services;

b. defects in the invoice; or

c. suspected improprieties of any kind.

The existence of any such defect or impropriety shall prevent the commencement of the thirty day period specified in Section II(B)(1) of these Guidelines, provided that the Corporation notifies the contractor of the existence of any such defect or impropriety within fifteen calendar days of receipt of the invoice.

III. Penalty for Late Payment

A. Payment of Interest

1. Except where defects or improprieties of the type specified in Section II(B)(2) of the Guidelines justify extension of the date by which contract payment must be made, the Corporation shall be liable for the payment of interest if payment is made later than the date specified in Section II(B)(1) of these Guidelines for the amount of the contract payment due or the payment due date specified in accordance with the contract.

2. Interest shall be computed at the rate equal to the rate set by the New York State Tax Commission for corporate taxes pursuant to section 1096(e)(1) of the Tax Law.

B. Sources of Funds: The Corporation will make any payment of interest required by Section III(A)(1) of these Guidelines with moneys in the Corporation's Operating Fund, established pursuant to Section 602 of the First General Bond Resolution.

IV. Annual Report

Annually, the Executive Director shall prepare and the Board of Directors shall review and approve a Prompt Payment Report covering the fiscal year of the Corporation, in accordance with Section 2880 (11)(a) of the Public Authorities Law. The Prompt Payment Report shall be submitted to the New York State Division of the Budget, the New York State Department of Audit and Control, and the Senate Finance Committee and the Assembly Ways and Means Committee of the State of New York. Copies of the annual report, as well as the Guidelines, shall also be made available to the public upon reasonable request.

V. Applicability

These Guidelines shall govern all contracts entered into by the Municipal Assistance Corporation on and after January 25, 1988.

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

**PROMPT PAYMENT REPORT
FOR THE YEAR ENDED JUNE 30, 1990**

Pursuant to Section 2880 (11) of the Public Authorities Law of the State of New York, the Municipal Assistance Corporation For The City of New York submits its annual report on the scope and implementation of its Prompt Payment Regulations adopted pursuant to such statute for year ended June 30, 1990.

During its 1990 fiscal year, all contracts which the Corporation entered into, as listed in the Corporation's Annual Procurement Contract Report, as well as all other contracts not within the scope of such report, were subject to the Corporation's Prompt Payment Regulations, and all were paid within forty-five days of the receipt of an acceptable invoice, pursuant to such regulations.

vrw#118

APPROVED DEALER LIST*

Repurchase Agreements

1. The Corporation shall be limited to entering into repurchase agreements which require repurchase of securities purchased by the Corporation on the next business day by the dealer. The Corporation shall not enter into reverse repurchase agreements.
2. The Corporation shall not enter into repurchase agreements substantially in excess of \$3 million at any one time, except, in order to ensure that all funds of the Corporation are as fully invested as practicable:
 - a. When suitable maturities are unavailable for a period of up to one week prior to a debt service deposit date, greater amounts in the Debt Service and Bond Service accounts may be invested in repurchase agreements; or
 - b. When a dealer with whom the Corporation has agreed to purchase securities fails to deliver the securities as agreed the Corporation may invest monies made available for the purchase in a repurchase agreement with the Trustee until the failed transaction settles.
3. The Corporation may enter into repurchase agreements with the following commercial banks:

Bank of America, NT&SA
Chase Manhattan Bank, N.A.
Chemical Bank
Manufacturers Hanover Securities Corporation
(Manufacturers Hanover Trust Company)
J.P. Morgan Securities, Inc. (Morgan Guaranty
Trust Company of New York)
United States Trust Company (in an amount not
to exceed \$2,000,000)
4. Form: The Corporation shall engage in repurchase agreement transactions only with those commercial banks listed above which have executed master repurchase agreement contracts with the Corporation.

*Excerpted from 1990 Annual Investment Report, pgs. 5-6.

MEMORANDUM

Date: 30 November 1988
To: Administration Committee
From: Stephen J. Weinstein and Quentin B. Spector
Re: Operating Budget--First Quarter Report

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Attached for your review is the summary of the Corporation's operating expenditures for the first three months of the 1989 fiscal year. While this summary shows spending for the first quarter at 25 percent of the annual operating budget on an aggregate basis, expenditure levels in several major categories are running significantly higher, and may signal the need for modifications later in the year, depending on experience during the second and third quarters. Most categories are in line with budget assumptions. However, the expenses associated with Debt Issuance and Accounting, in particular, are higher than expected and may strain their budget limits as the year progresses. Budget modification may be further necessitated by the present unpredictability of billings for paying agency services during the balance of the year.

Under Debt Issuance, which accounts for more than 10 percent of the total budget, each of the three line items is substantially higher than expected for this point in the year. The overall expenditures shown for Debt Issuance during the quarter total nearly 40 percent of the amount budgeted for the entire year, which will probably have to be increased to cover expenses during the following three quarters.

Printing expenses stand at 38 percent of budget for two reasons. First, they reflect the bulk of the financial and bond printing costs for the extensive financing undertaken in Series 66 in June and July and Series 67 in September and October. Second, the level of billings for financial printing is considerably higher than anticipated at the time of budget preparation. This is generally attributable to the billing practices of the firm that we engaged for the first time as a result of the last competitive bidding for this business in the Spring. As a result, we expect to terminate our relationship with this firm, and to settle the remaining bills on as favorable a basis as possible. In any event, another financing cannot be accommodated during this year without increasing the amount budgeted for Printing.

*Municipal Assistance Corporation
For The City of New York*

30 November 1988
Administration Committee
Page 2

While Ratings expenses appear at 35 percent of budget, representing billings for Series 66 alone, they are expected to drop for the Series 67 and Series 68 Bonds, due to the proximity of the subsequent sales. The amount budgeted for this category should therefore be sufficient to carry us through the year, assuming one additional financing.

The Other line item is at 57.5 percent of budget, and is certain to require adjustment this year. The bulk of this represents the issuance fees of the Trustee. It is thus purely a function of sales volume, which has been \$1.5 billion for the three issuances to date, considerably more than the \$1 billion total assumed for four issuances throughout fiscal 1989.

In the Debt Administration category, comprising more than one-third of our total budget, overall expenses stand at 24 percent for the first quarter. The Trustee and Public Notices items will probably not require any modifications for the balance of the year. The Debt Administration category as a whole may also be sufficient for the year without an increase, but that is basically dependent on experience later in the year for the Paying Agent item. The billings by these banks, as we have discussed with you previously, follow no predictable pattern. In addition, the volume of principal payments for the current year has been driven upward by refunding activity, which has resulted in the early redemption of several entire series of outstanding bonds in this twelve-month period. The combination of increased redemption activities and erratic billing practices makes this a volatile area that could potentially require budget modification.

The Legal Services category is generally on target at 23 percent, and no significant deviations are anticipated at this time.

The Investment Management category reflects a rate of expenditure slightly higher than expected, at 31 percent, due to a greater than normal volume of transactions relating to restructuring investments in several accounts in order to produce additional income. This added volume is not expected to continue, and the budgeted amount should be sufficient for the balance of the year.

30 November 1988
Administration Committee
Page 3

The Accounting category is always highest in the first quarter of the year, when the annual audit expenses are incurred, and is shown at 45 percent of budget. However, this year the level of expenditure to date also reflects additional billings attributable to preparation of certain new reports required by the State Comptroller, and to work undertaken at the direction of the Audit Committee to develop alternative financial statement presentation formats for consideration. This work is expected to continue and thus to generate some additional billings in later quarters. We anticipate that the Accounting budget will have to be increased somewhat to take account of this added work later in the course of the year.

In the largest single budget category -- General Administration, which is more than 40 percent of the total -- aggregate expenditures for the first quarter stand at 22 percent. Experience and projections for each of the five line items indicate that the overall budgeted amount will be more than sufficient to meet expenses in these areas for the entire year. Payroll Services, after including the effects of staff salary increases, should provide a modest surplus at year end. Data Processing will rise later in the year as several planned purchases are made, but will still generate budgetary savings. Report Production is expected to remain on target, the relatively high figure shown to date being a product of the annual report work done during the quarter. Office Materials and Office Services, even after factoring in the rent increase taking effect January 1, 1989, will both likely come in under budget. Consequently, the General Administration category could provide a source of excess funds for reallocation to categories likely to be deficient later in the year.

The actual need for budgetary adjustments in the form of either reallocations or additions or both will be dictated in large part by the level of financing activities and the amount of bank billings during the second half of this fiscal year. We will continue to monitor all of our ongoing expenses and next report to you after preparation of the financial statements for the quarter ending December 31, 1988. At that time, we will either recommend a budget modification or advise awaiting the results for the third quarter to consider adjustments to the operating budget.

Attachment

vj:104

Municipal Assistance Corporation For The City of New York
 FY 89 Operating Budget
 Quarter Ended September 30, 1988

	Fiscal 1989 Budget (1)	Actual Expenses and Accruals for Quarter- ended 9/30/88 (2)	Actual Expenses and Accruals Year to Date (3)	% of Budget (3) / (1) (4)
<u>Debt Issuance</u>				
Printing	\$235,000	\$88,647	\$88,647	37.7%
Ratings	115,000	40,000	40,000	34.8
Other	50,000	28,774	28,774	57.5
Subtotal	400,000	157,421	157,421	39.4
<u>Debt Administration</u>				
Trustee	475,000	76,398	76,398	16.1
Paying Agent	266,500	96,590	96,590	36.2
Public Notices	550,000	131,643	131,643	23.9
Subtotal	1,291,500	304,631	304,631	23.6
<u>Legal Services</u>				
Bond Counsel	150,000	35,001	35,001	23.3
General Counsel	100,000	18,714	18,714	18.7
Trustee Counsel	40,000	13,307	13,307	33.3
Subtotal	290,000	67,022	67,022	23.1
<u>Investment Management</u>	46,000	14,093	14,093	30.6
<u>Accounting</u>	115,000	51,685	51,685	44.9
<u>General Administration</u>				
Payroll Services	969,200	195,643	195,643	20.2
Data Processing	60,000	5,694	5,694	9.5
Report Production	175,000	80,956	80,956	46.3
Office Services	334,000	53,290	53,290	16.0
Office Materials	21,000	3,917	3,917	18.7
Subtotal	1,559,200	339,500	339,500	21.8
<u>Total MAC Operations</u>	3,701,700	934,352	934,352	25.2
<u>Financial Control Board</u>	1,976,500	374,455	374,455	18.9
<u>TOTAL BUDGET</u>	<u>\$5,678,200</u>	<u>\$1,308,807</u>	<u>\$1,308,807</u>	<u>23.0</u>

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

Monday, January 25, 1988

3:00 P.M.

Lazard Freres & Company
One Rockefeller Plaza
Conference Room C (32nd Floor)

AGENDA

1. Adoption of the Minutes of Meeting of September 22, 1987*
2. Promulgation of Prompt Payment Regulations*
3. Authorization of Proposed Financing*
4. Discussion of Public School Capital Program Proposal*
5. Other Business

*Enclosure

:104

MEMORANDUM

Date: 22 January 1988

To: S.J.W., MHG

From:  CBS, FNH 

Re: Restructuring Series JJ Escrow Fund

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

The attached memorandum provides justification of and standing authorization for restructuring the Series JJ escrow. The opportunity to accomplish this restructuring occurred this week when a market rally permitted the Corporation to exchange its open market portfolio for a portfolio of SLGS (while maintaining defeasance) costing almost \$1 million less. The restructuring is in compliance with new Treasury policy which limits the benefits realized from such a transaction to the elimination of escrow inefficiencies. This policy went into effect on October 22, 1987.

#314

MEMORANDUM

Date: 17 July 1986
To: Felix Rohatyn
From: Steve Weinstein
Re: Activities and Schedules

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Steve Weinstein
OK with me.
FRL

Financing

After discussions with Ed, Gene and Dale Horowitz, I suggest deferring a decision on a refunding during the first week of August until the last week of July, when we will have better information on rates, supply and demand, and tax matters. I recommend proceeding on a negotiated rather than competitive basis in this continually changing environment, giving us maximum flexibility in timing and structuring. Assuming we do finance the first week of August, we would sell at a Board meeting on Thursday, August 7th.

Annual Report and Meeting

I propose a new approach to the annual report starting this year. For the past couple of years, we have produced a "fourth quarter" report in August, which has consisted of our new audited annual statements, along with updated bond tables. This has been somewhat duplicative of our September "annual report" publication of the same financial statements, together with a textual summary of the year's activities.

Last year, we considered collapsing the two, but did not because of the significance of the tenth anniversary, and used the occasion to tell the dramatic tale of the decade in retrospect.

This year provides the opportunity to convert the format of our annual reports to the more compact style of our quarterlies, and realize considerable economies of effort and expenditure. Production of an extended text no longer seems necessary. Descriptions of our accomplishments during the year or observations on the City's fiscal affairs could be incorporated into an expanded Chairman's letter at the front of the report. This approach would save over \$100,000 each year, while meeting all of our legal reporting requirements and producing a distinctive document.

We could do this in either August or, I would suggest, in September to coincide with our annual meeting. I would like to schedule that meeting for September 10th or 11th. I envision an agenda exclusively of internal administrative matters.

From September 13th, for two weeks I will be out of the country -- in London, where I will be one of the directors of a series of seminars at the London School of Economics marking the anniversary of the graduate program which I attended there.

Miscellaneous

Ed and Gene have approved the escrow restructuring described in the enclosed memo, and I would like to know if you agree to proceed.

MEMORANDUM

Date: 26 June 1986
To: Eugene J. Keilin, Chairman, Finance Committee
From: Stephen J. Weinstein, Executive Director
Re: Series JJ Escrow

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

As we discussed, I am attaching a memorandum proposing a transaction to restructure the portfolio of securities in the above refunding escrow account.

OK
This proposal offers several benefits to the Corporation. I recommend its consideration to the Finance Committee.

It has been reviewed by counsel here and at Hawkins.

No Board action is required, but I would like authority to proceed from the Finance Committee.

Attachment

MEMORANDUM

Date: 13 June 1986
To: Stephen J. Weinstein
From: Quentin B. Spector and Frances Higgins
Re: Restructuring Series JJ Portfolio

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

We have recently received a proposal from Goldman Sachs for a restructuring of the Series JJ escrow which would substantially improve its efficiency.

The Series JJ refunding was accomplished during a period of negative arbitrage between municipal and government markets. To minimize the adverse impact of these market conditions, the Corporation established the escrow with open market Treasury securities rather than State and Local Government Series (SLGS) issues. Even though the open markets portfolio was the optimal solution at the time of issuance, the escrow has several structural and financial inefficiencies.

First, the escrow portfolio yields at least 40 basis points less than the yield allowed under the arbitrage regulations. This lower yield creates substantial extra interest expense (or a loss of potential escrow earnings) over the life of the bonds. Second, the maturities of the open market governments are poorly matched to the payment dates of the Series JJ Bonds. The open market treasuries mature from 2 weeks to 8 months before the debt service payment dates. A consequence of the timing mismatch is that portfolio management discretion is required during these "reinvestment periods."

A third problem, has developed since the original structuring. Currently the escrow contains stripped certificated treasury securities with a market value of approximately \$30 million. Because these securities are irreplaceable if lost, stolen or destroyed, they pose an exceptional custody risk for U.S. Trust. The Trustee has since reduced its exposure through a special insurance policy, whose premium it has attempted to pass on to the Corporation. This premium, currently \$29,000, is proportional to the market value of the insured securities. It has increased in the last year due to the general market improvement but has also increased and will continue to increase with time as the securities accrete to par. While the Corporation does not pay the premium directly, payment will be an issue in the forthcoming fee negotiations with the Trustee. Since there are other benefits the Corporation seeks in these negotiations, there is a value in reducing the significance of this issue at the negotiating table.

13 June 1986
Page 2

Because the inefficiencies of the escrow were recognized at the time the Series JJ were refunded, the closing documents authorize purchases, sales and reinvestments within the escrow fund, provided that the Series JJ Bonds remain defeased and that the resulting portfolio is invested within the allowable yield.

In its proposal Goldman Sachs offers to sell the portfolio of open market securities and replace it with a portfolio of SLGS. The resulting restructuring addresses all three of the escrow's shortcomings. The proposal exploits the fact that the rates on SLGS lag the Treasury market by up to a week. In a strongly rallying market it is possible to sell the open market portfolio and purchase SLGS portfolio for less than the sale proceeds. As illustrated in the attached exhibit, the Corporation would realize savings of \$100,000.

To proceed, the Corporation would set out goals and criteria for the restructured escrow. Goldman would then monitor the government market in relation to the weekly SLGS rates to identify an opportunity for the restructuring. At such an opportunity it would offer to purchase the open market portfolio for settlement at the end of the 20-day SLGS subscription period. At the same time it would restructure the escrow, identifying the SLGS to be subscribed for by the Corporation. Because the sale of the open market portfolio settles simultaneously with the the SLGS purchased, the Series JJ Bonds remain defeased at all times. The Corporation's acceptance would be subject to a confirming opinion by Bond Counsel of continuity of defeasance and compliance with arbitrage restrictions.

Goldman Sachs proposes that it have the exclusive right to purchase the current escrow securities. The firm proposes no fee. It would be compensated only from any profit it can realize from trading the open market securities after their purchase from the Corporation. Exclusivity is appropriate for a proprietary idea and a transaction involving a large amount of thinly traded securities. Moreover, it is necessary to use a highly capitalized firm with both sophisticated trading capacity and expertise in municipal finance to execute the transaction.

13 June 1986
Page 3

Because of market sensitivity and timing it will be necessary for the Corporation to act immediately when an opportunity for restructuring occurs. Specifically we recommend the Finance Committee authorize the staff to execute the transaction provided:

- a) A minimum savings is achieved. We calculate the savings should exceed \$300,000. The minimum savings varies somewhat with the passage of time and market conditions. (Accordingly the \$100,000 savings generated in the sample transaction in the exhibit would have been insufficient to justify execution.)
- b) Bond Counsel provides an opinion on settlement that the transaction is fully in compliance with the defeasance requirements, escrow covenants, and the arbitrage restrictions.

FH:clm:203

FILE: usrest

SERIES JT ESCROW
CURRENT PORTFOLIO OF OPEN MARKET SECURITIES
UNITED STATES TRUST COMPANY OF NEW YORK

PORTFOLIO RISK MEASURES
(\$ MILLIONS)

ACCOUNT:

DATE OF SETTLEMENT: 04/11/88

#	PAR HOLD	MKT HOLD	NAME	SECTOR	COUPON	MATURITY	PRICE(32)	YIELD	TERM	DURATION	VOLAT.
1	7.875000	8.023186	ust 0.0	TREASURY	0.000	11/15/89	78.48(16)	7.60	3.59	3.46	8.48
2	4.864382	3.567633	ust 0.0	TREASURY	0.000	11/15/89	78.48(16)	7.60	3.59	3.46	8.48
3	0.866250	0.586833	ust 0.0	TREASURY	0.000	05/15/91	87.72(23)	7.60	5.09	4.90	4.90
4	0.056738	0.031618	ust 0.0	TREASURY	0.000	11/15/83	85.73(23)	7.85	7.59	7.31	7.31
5	7.875000	4.888431	ust 0.0	TREASURY	0.000	11/15/83	85.73(23)	7.85	7.59	7.31	7.31
6	8.307500	1.843141	ust 0.0	TREASURY	0.000	11/15/83	85.73(23)	7.85	7.59	7.31	7.31
7	7.876000	4.046443	ust 0.0	TREASURY	0.000	11/15/84	81.38(12)	7.90	8.59	8.27	8.27
8	0.472500	0.242787	ust 0.0	TREASURY	0.000	11/15/84	81.38(12)	7.90	8.59	8.27	8.27
9	0.825000	0.883645	UST14078	TREASURY	14.000	07/15/88	114.72(23)	8.85	2.28	1.92	1.92
10	0.810000	0.847789	UST12380	TREASURY	12.875	01/15/89	109.25(08)	8.71	1.78	1.65	1.65
11	8.175000	10.183578	ust 14.5	TREASURY	14.500	07/15/89	121.13(04)	7.12	3.25	2.60	2.60
12	0.830000	0.881264	ust 13.7	TREASURY	18.750	05/15/92	131.13(04)	7.32	6.09	4.22	4.22
13	20.355000	24.904230	UST14580	TREASURY	14.825	01/15/89	118.88(28)	8.98	2.76	2.28	2.28
14	0.926250	0.920415	ust 0.0	TREASURY	0.000	05/15/86	89.37(12)	6.75	0.09	0.09	0.09
15	3.488750	2.853070	ust 0.0	TREASURY	0.000	11/15/89	78.48(16)	7.60	3.59	3.46	3.46
16	2.600000	1.629475	ust 0.0	TREASURY	0.000	11/15/91	85.18(06)	7.80	5.69	5.38	5.38
17	2.081250	1.089417	ust 0.0	TREASURY	0.000	11/15/94	51.38(12)	7.90	8.59	8.27	8.27
18	0.180000	0.157040	tbill	TBILL	0.000	07/31/88	98.15(05)	6.20	0.31	0.30	0.30
TOTAL	71.923615	63.838691		AVERAGE	8.024		87.81(10)	7.31	4.05	3.63	3.63

- *** Here market values include accrued interest.
- *** Average coupon and price are weighted by par holdings. Other averages are weighted by market holdings.
- *** Yield displayed:
 - For options, = yield of underlying bond.
 - For futures, = yield of deliverable bond.
 - For callable bonds, = yield to the effective term (see description below).
 - For CMA with the options model, = yield computed using the prepayment rate that produces the callable duration.
 - For other securities, = bond-equivalent yield.
- *** Effective term:
 - For options, = term to expiration.
 - For futures, = term to maturity date of deliverable bond.
 - For callable bonds, = term for which the duration of the call free bond equals the duration of the callable bond.
 - For CMA with the options model, = average life computed using the prepayment rate that produces the callable duration.
 - For other passthroughs, = the duration driven term (= weighted average of terms to each payment, weighted by the payments).
 - For other securities, = term to maturity.
- *** Durations means modified duration (percentage change of price relative to bond-equivalent yield)
- *** Volatility is relative to a 1 year treasury.

Financial Strategies Group -- Goldman, Sachs & Co.

→ \$ 63,839,691 = Market Value of open markets portfolio

MUNICIPAL ASSISTANCE CORPORATION
 SERIES JJ ESCROW

SLGS Portfolio

CANDIDATES DEBT SERVICE REPORT

DELIVERY DATE: 4/11/86

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL REVENUE	PRICE OF SECURITIES	COST OF SECURITIES	ACCRUED INTEREST	TOTAL COST OF SECURITIES
8/ 1/86	1,097,000.00	6.430000	1,377,950.64	2,474,950.64	100.000000	1,097,000.00		1,097,000.00
2/ 1/87	268,800.00	6.560000	2,206,187.88	2,474,987.88	100.000000	268,800.00		268,800.00
8/ 1/87	283,100.00	6.670000	2,191,888.01	2,474,988.01	100.000000	283,100.00		283,100.00
2/ 1/88	292,600.00	6.780000	2,182,446.62	2,475,046.62	100.000000	292,600.00		292,600.00
8/ 1/88	302,500.00	6.860000	2,172,527.48	2,475,027.48	100.000000	302,500.00		302,500.00
2/ 1/89	20,312,800.00	6.910000	2,162,151.73	22,474,951.73	100.000000	20,312,800.00		20,312,800.00
8/ 1/89	189,700.00	6.950000	1,460,344.49	1,650,044.49	100.000000	189,700.00		189,700.00
2/ 1/90	20,196,200.00	6.990000	1,453,752.41	21,649,952.41	100.000000	20,196,200.00		20,196,200.00
8/ 1/90	77,100.00	7.030000	747,895.22	824,995.22	100.000000	77,100.00		77,100.00
2/ 1/91	79,800.00	7.080000	745,185.15	824,985.15	100.000000	79,800.00		79,800.00
8/ 1/91	82,700.00	7.110000	742,360.23	825,060.23	100.000000	82,700.00		82,700.00
2/ 1/92	85,600.00	7.120000	739,420.24	825,020.24	100.000000	85,600.00		85,600.00
8/ 1/92	88,600.00	7.120000	736,372.88	824,972.88	100.000000	88,600.00		88,600.00
2/ 1/93	91,800.00	7.130000	733,218.72	825,018.72	100.000000	91,800.00		91,800.00
8/ 1/93	95,000.00	7.150000	729,946.05	824,946.05	100.000000	95,000.00		95,000.00
2/ 1/94	10,098,500.00	7.170000	726,549.80	10,825,049.80	100.000000	10,098,500.00		10,098,500.00
8/ 1/94	47,900.00	7.200000	364,518.57	412,418.57	100.000000	47,900.00		47,900.00
2/ 1/95	10,049,700.00	7.220000	362,794.17	10,412,494.17	100.000000	10,049,700.00		10,049,700.00
	63,739,400.00		21,835,510.29	85,574,910.29		63,739,400.00		63,739,400.00

SOLD PORTFOLIO \$ 63,839,691
 PURCHASED (SLGS) PORTFOLIO 63,739,400
 SAVINGS \$ 100,291

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

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

ATTORNEY WORK PRODUCT

21 January 1988

Price Waterhouse
153 East 53rd Street
New York, New York 10022

Attention: Mr. Lawrence P. Vogel

Re: Second Quarter Financial Statements

Gentlemen:

You have requested our best estimate of potential liability in connection with Skomorowsky v. United States Trust Company of New York ("U.S. Trust"), a suit commenced in New York Supreme Court on or about December 28, 1987 alleging negligence by U.S. Trust in taking certain actions to notify holders of bearer Series 7 Bonds of the Corporation of the optional redemption of all such outstanding bonds on July 1, 1987 and requesting certification as a class action. As we understand it, you are requesting this information so as to make an informed judgement as to whether this litigation is an appropriate item for disclosure as a material potential liability of the Corporation in connection with your quarterly review of the Corporation's financial statements as of December 31, 1987.

We have previously provided you with a copy of the complaint and an excerpt of the Corporation's Second General Bond Resolution (the "Second Resolution"), pursuant to which the Series 7 Bonds were issued, setting forth the circumstances under which the Corporation is obligated to indemnify the Trustee (U.S. Trust) for liabilities incurred in the course of performing its contractual duties, one of which is the notification of holders of Second Resolution Bonds of redemption of their bonds prior to maturity.

In assisting you in reaching your conclusion as to the materiality of this suit for purposes of the quarterly review, we wish to emphasize what we consider to be two critical facts: (i) the Corporation is not a party to this litigation; and (ii) the Corporation is not obligated, under the terms of the Second Resolution, to indemnify U.S. Trust

ATTORNEY WORK PRODUCT

Price Waterhouse

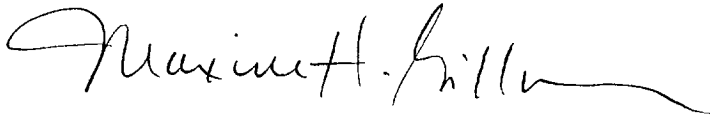
21 January 1988

Page 2

CONFIDENTIAL

for liabilities resulting from its negligence, the sole cause of action alleged in the complaint. Furthermore, we believe, after consultation with our general counsel and bond counsel, and counsel for U.S. Trust, that the likelihood that the plaintiff would prevail on the merits in a court of law is remote. However, in the event that the suit were certified as a class action, that every issue were resolved against U.S. Trust, and that the Corporation were required to indemnify U.S. Trust, we estimate the maximum liability to be \$490,000.00.

Sincerely,



Maxine H. Gillman
Counsel

aa:105

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

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

20 January 1988

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

Ladies and Gentlemen:

We would appreciate your advising Price Waterhouse, our independent accountants, as of February 1, 1988, of any information which you may have obtained subsequent to November 2, 1987, in your capacity as counsel to the Municipal Assistance Corporation For The City of New York (the "Corporation") regarding (a) any material threatened or pending litigation involving the Corporation, (b) any material tax or other claims threatened or pending against the Corporation, (c) any pending government investigation that could give rise to contingent liabilities against the Corporation and (d) any other material contingent liabilities of the Corporation.

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

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

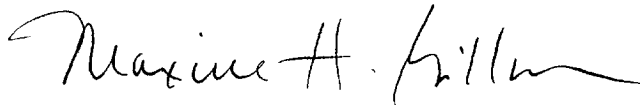
*Municipal Assistance Corporation
For The City of New York*

20 January 1988
ORRICK, HERRINGTON & SUTCLIFFE
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

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

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

20 January 1988

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

Ladies and Gentlemen:

In various letters, the most recent dated February 1, 1988, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of February 1, 1988 of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated November 3, 1987 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.

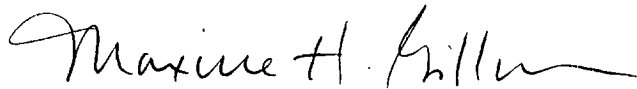
*Municipal Assistance Corporation
For The City of New York*

20 January 1988
PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

MEMORANDUM

Date: 19 January 1988
To: Staff
From: Executive Director
Re: High-Tech Conversion

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

We are installing a state-of-the-art microwave oven to replace the teetering "Model-T" toaster oven in the office galley.

Please familiarize yourselves with all the operating instructions before beginning to use it and make sure that it is always used, cleaned and stored properly.

Bon Appetit!

MEMORANDUM

Date: 19 January 1988
 To: Beatrice Gilling Raynor
 From: Stephen J. Weinstein *[Signature]*
 Re: Office Purchase

MUNICIPAL
 ASSISTANCE
 CORPORATION
 FOR THE CITY
 OF NEW YORK

Please reimburse me in the amount of \$254.33 for the purchase today by my personal check of a microwave oven for the office, as per the attached receipt.



D 73171

NYC RETAIL LOCATIONS

67 W. 47th Street
 NYC CA LIC #800189/891860

115 W. 45th Street
 NYC CA LIC. #800191/811628

116 Nassau Street
 NYC CA LIC. #811627

35 East 18th Street
 Darkroom Store

MAIL ORDER DEPARTMENT: 36 E. 19th St. • New York, N.Y. 10003 • 212-608-6934

Business Hours: Sun. 10-4, Daily 9-6, Fri. 9-2 • Darkroom Store Hours: Sun. 10-4, Daily 9-5, Fri. 9-1:45

EAST MEADOW RETAIL LOCATION

1976 Hempstead Tpke.

Store Hours: Sun 10-5 Mon - Thurs 10-8 Friday 10-1

Customer Service: 1-212-260-4415

Name S. J. WEINSTEIN Date 1-19-88
 Address _____
 City _____

Nassau St. Store • 116 Nassau St.
 New York, N. Y. 10038
 1-212-608-6934
 NYC CA LIC #811627

47 Card	A.E.	Credit	Cash	Check	Charge	Sold by	Cashier
1							
	CITIZEN LA 15610						234.95
							19.38
							254.33
<i>[Large handwritten circle around 254.33]</i>							

This sale is subject to the terms and conditions printed on the reverse side hereof.
 CUSTOMERS COPY NOT DISCARD

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 Hand

15 January 1988

J. P. MORGAN SECURITIES INC.
23 Wall Street
New York, New York 10015

Attention: Daniel Wing 22/43

Re: Amendment Dated as of December 17, 1987 to Master
Repurchase Agreement

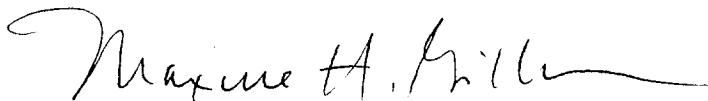
Dear Mr. Wing:

Enclosed please find one fully executed copy of the amendment dated as of December 17, 1987 to the master repurchase agreement executed in May 1985 by the Corporation and Morgan Guaranty. This amendment was requested by your office. I have noted on the amendment that J. P. Morgan Securities Inc. is the successor to Morgan Guaranty Trust Company.

I have taken the liberty of deleting the provisions which can have no possible bearing on the transactions between the parties, in that all our repurchase agreements mature on the following business day and the purchased securities are always delivered to United States Trust Company of New York, as Trustee.

If you have any questions, please call.

Sincerely,



Maxine H. Gillman
Counsel

Enc.

ba:200

**J.P. Morgan
Securities**

December 21, 1987

Mr. T. Dennis Sullivan, II
Municipal Assistance Corporation
for the City of New York
One World Trade Center - Suite 8901
New York, New York 10048

Dear Mr. Sullivan:

In order to comply with the Government Securities Act of 1986, we are asking our customers to update their repurchase agreements by completing a PSA Supplemental Provisions to Master Repurchase Agreement (the "Supplement").

Please execute all of the enclosed Supplements and return one of each to my attention at the address below by January 31, 1988. After this date, we will not be able to enter into "hold-in-custody" repurchase transactions until such documentation is in place.

If you have any questions, please contact me directly at (212) 483-3941. Your prompt attention in this matter will be greatly appreciated.

Very truly yours,



Daniel Wing


Enclosure

Remit to:

J.P. Morgan Securities Inc.
23 Wall Street
New York, New York 10015
Attention: Daniel Wing - 22/43

MEMORANDUM

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

Date: 13 January 1988
To: Staff
From: Executive Director 
Re: Vacation Exchange Reminder

This is to remind those staff members with more than 150 hours of accrued and unused vacation leave that they are eligible to exchange a portion of that excess for payment in cash, in accordance with the policy and procedure contained in the latest Leave Provisions Memorandum, dated April 29, 1987 (copy attached).

Attachment

MEMORANDUM

Date: 29 April 1987
To: Staff
From: Stephen J. Weinstein
Re: Leave Provisions

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK



This Memorandum provides an updated statement of present policies with regard to accrual, utilization and payment for vacation and sick leave, disability and 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 payday 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 20 days (150 hours) of the excess for payment in cash each year at the rate of the annual salary in effect at the time of the exchange. 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 four exchanges totaling twenty 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.

29 April 1987
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, 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**

13 January 1988

Ms. Louise H. Winecup
36-B Village Lane
Staten Island, NY 10312

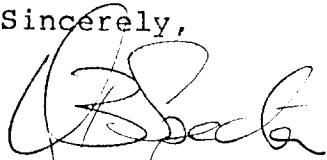
Dear Ms. Winecup:

Thank you for your recent letter regarding a position here at the Municipal Assistance Corporation.

I'm sorry that there are no positions available at present. However, we would like to keep your resume on file in the event that a position opens up for which we feel your experience and expertise would be appropriate.

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

Sincerely,



Quentin B. Spector
Treasurer and
Deputy Executive Director

ba:116

LOUISE H. WINECUP
36-B Village Lane
Staten Island, NY 10312
(718) 966-3738

January 4, 1988

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

Dear Mr. Weinstein:

I am a mind in search of occupation. I believe that defining the problem is most interesting; developing the solution most important. While studying detail, I do not lose sight of the intermediate and broad concepts. I bring an innovative outlook together with hard work and an ability to master highly technical subjects for the benefit of my employers.

My professional experience evidences a capacity to coordinate a number of differing interests and to manage skillfully a series of diverse projects and objectives simultaneously. I have also demonstrated the flexibility to apply my information research, systems analysis, and communication skills successfully to areas in which I have had no previous specific experience.

In my prior positions, I have worked closely with agency heads and staff, various oversight committees, local government officials, legislative bodies, the public, and others. My previous experience has demonstrated the ability to apply my supervisory and coordinating skills successfully within various levels of both government and management.

I am now seeking employment in the New York City area. If your agency is interested in an innovative problem solver with previous experience in management, research, systems analysis, and communication, please contact me. I look forward to the opportunity of discussing more fully with you the experience and abilities that I have to offer.

Yours truly,

Louise H. Winecup
Louise H. Winecup

Enclosure

LOUISE H. WINECUP
36-B Village Lane
Staten Island, NY 10312
(718) 966-3738

SUMMARY RESUME

Major Work Experience:

Clements Research, Inc. (Texas)

Director of Research (10/86-5/87); supervised and conducted research and writing of fact books of multifarious state and local information. Responsibilities included:

- locating and evaluating information and its sources;
- interviewing, hiring, and supervising research and writing staff;
- performing and supervising research and writing; and
- ensuring factual and grammatical correctness prior to publication.

Self-employed Public Management Consultant (1/85 to 9/86) (Texas)

Consulted on analysis of municipal government services, annexation and organizational studies, and personnel management systems. Responsibilities included:

- analyzing internal and external system and organizational relationships;
- documenting governmental service levels and comparing services provided by various governments;
- reviewing personnel policies and recommending changes to comply with state and federal laws; and
- conducting salary and benefit surveys, recommending pay and classification levels and benefit packages, and evaluating and writing job descriptions, including EEOC and FLSA designations.

New York City Comptroller's Office, Bureau of Management Audit

Auditor/Auditor-in-Charge (8/81-9/84); conducted procedural and systems audits in health care, criminal justice, and economic development. Responsibilities included:

- coordinating the audit process with the affected agency and supervising the audit team;
- identifying and verifying procedural risk factors, using flow analysis and statistical sampling;

- reviewing interdepartmental and interagency cooperation and coordination; and
- presenting audit findings and recommended changes to the agency, both orally and in writing.

Texas Advisory Commission on Intergovernmental Relations

Director of Research (9/77-6/80), Senior Research Associate (6/76-9/77), Research Associate (1/76-6/76); researched and supervised publications on various topics including tort liability of public officials and employees, emergency single-number access systems, and initiative and referendum. Responsibilities included:

- developing and refining research proposals, including funding sources;
- interviewing, hiring, training, and supervising research staff;
- performing and supervising research and drafting of reports;
- establishing and coordinating oversight and review committees;
- reviewing draft and final reports prior to presentation and publication; and
- representing the agency and its work at local, state, and national meetings.

Texas Legislative Council, Office of Constitutional Research; Texas Constitutional Convention; Texas Constitutional Revision Commission

Constitutional Analyst (8/74-1/76), Research Associate (1/74-8/74), Research Assistant (5/73-1/74); researched, drafted, and presented constitutional issues and provisions to committees and the general public.

Formal Education:

Ph.D. Candidacy, American History, State University of New York at Stony Brook, 10/71.

M.A., American History, University of Vermont, 2/69.

B.A., English, University of Vermont, 5/65.

Additional courses in statistical sampling and at the New York Institute of Finance.

References on request.

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

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

13 January 1988

Mr. Larry A. Berman
30 Park Avenue
New York, New York 10016

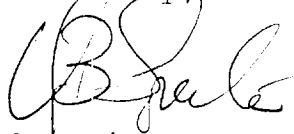
Dear Mr. Berman:

Thank you for your recent letter regarding a position here at the Municipal Assistance Corporation.

I'm sorry that there are no positions available at present. However, we would like to keep your resume on file in the event that a position opens up for which we feel your experience and expertise would be appropriate.

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

Sincerely,



Quentin B. Spector
Treasurer and
Deputy Executive Director

ba:116

30 Park Avenue
New York, NY 10016

Dear Sir:

It has been suggested to me that I contact you regarding possible employment opportunities.

I am an energetic, achievement oriented financial professional who desires a challenging new opportunity with a progressive organization.

My business experience includes over 15 years of significant assignments with corporations in different industries. The common denominator has been my ability to recommend and implement solutions, policies and procedures based upon sound financial studies.

The enclosed resume outlines my managerial responsibilities which include long and short range planning, capital and operational budgeting, consolidations, analyses and various special projects.

My objective is a career opportunity in which I can utilize my financial, planning and management skills to make a meaningful contribution to the goals and profits of a dynamic organization.

I would welcome the opportunity to meet with you if my background and expertise matches a current or future position that you are seeking to fill.

Very truly yours,

Larry Berman

Larry Berman
212-689-0945

enc.

1-10

LARRY A. BERMAN
30 Park Avenue
New York, New York 10016
Telephone: (212)689-0945

objective A position as a general manager or financial/administrative officer in which I can apply my extensive background in corporate planning, financial analysis and budgeting.

**business
experience
1986 - present**

STAGE II APPAREL CORPORATION **NEW YORK, NY**
As Vice President and Director of Budgets/Systems for a \$60 million apparel importer and distributor:

Successfully coordinated all corporate activities for the Initial Public Offering for Stage II, taking it from a privately-held business to an AMEX-listed corporation.

Established and managed seasonal buying plans for the corporation - an activity requiring extensive interface with suppliers in the Far East.

Evaluated merger and acquisition opportunities and recommended recent acquisition to Chairman.

As Head of MIS department, recruited and trained new staff during conversion period from a manual to a fully automated payables, receivables and inventory tracking system.

Streamlined numerous operating procedures and reporting systems, resulting in improved availability and accuracy of operating information for senior management.

Conducted detailed cost and profitability studies, resulting in savings of more than 15% in three major product areas.

1982 - 1986

GENERAL INSTRUMENT CORPORATION **NEW YORK, NY**
As Group Manager of Finance for a \$300 million division of a \$1 billion manufacturer of electronics and telecommunications equipment:

Managed the consolidation and analysis of operating plans, forecasts and actual performance of five operating divisions.

Advised Group Sr. Vice President and recommended courses of action with respect to currency hedging and financial controls.

Developed automated management reports for monthly analysis of revenue, gross margin, operating profit and working capital, resulting in a 50% increase in productivity in my department.

Evaluated capital requests using DCFR, NPV and other quantitative techniques and analyzed investment alternatives.

Recruited new key employees and established credit policies resulting in a reduction of receivables of more than \$3 million over a five month period while maintaining market share.

As Controller of G.I. Cable TV Services Inc., prepared pro-forma statements, recommended discontinuing an unprofitable operation and closed final books.

Participated in the planning and relocation of the corporate headquarters.

Developed financial modeling computer programs to analyze special projects - using Lotus and IFPS.

LARRY A. BERMAN (continued)

1979 - 1982 **ALLIED BREWING (DCA FOOD INDUSTRIES)** **NEW YORK, NY**
As Assistant to the President of a \$200 million machinery and food products manufacturing group of a \$5 billion multinational conglomerate:

- . Established overall budget for operations while acting in the capacity of Administrative Manager.
- . Analyzed acquisition and prepared pro forma statements.
- . While Controller of a newly acquired subsidiary, prepared financial statements and forecasts.
- . Helped to develop and prepare first five year strategic plan.
- . Conducted cost studies on machine parts and food items at several plants and set time/cost standards for all operations.

1977 - 1979 **TOWLE MANUFACTURING (NATIONAL SILVER)** **NEW YORK, NY**
As Director of Sales Planning and Administration for a \$40 million division of a \$300 million houseware and giftware manufacturer:

- . Analyzed profitability of major accounts and created plan to concentrate increasing volume on highest margin accounts.
- . Planned sales goals and budgets for 40 man sales force.
- . Monitored budget variances and recommended appropriate action to senior management.
- . Restructured compensation plans for sales organization, resulting in tightly coupled selling incentives and lower sales staff turnover.

1971 - 1977 **RUDIN AND ROTH, INC.** **NEW YORK, NY**
As Assistant to President and as Manager of Financial Analysis for a \$30 million apparel manufacturer:

- . Established control programs leading to 20% inventory reduction without increasing customer delivery times.
- . Conducted training meetings for sales and marketing personnel.
- . Initiated new policies in areas of order expediting and the servicing of accounts.
- . Designed new promotion techniques to address overstock problems.
- . Developed marketing plans and prepared merchandise forecasts.

education **NEW YORK UNIVERSITY** **NEW YORK, NY**

Master's in Business Administration, Finance - awarded 1970.
Bachelor of Business Administration, Finance - awarded 1968.

personal Single, Age: 39, 6', 180 lbs.
Member: American Mensa Society

MEMORANDUM

Date: 12 January 1988
To: Kent K. Reynolds, Saul H. Finkelstein
From: Steven Markbreiter
Re: Contract Payment Guidelines

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

Enclosed for your review and comment is a draft of the Corporation's Contract Payment Guidelines, which are required to be adopted pursuant to Section 2880(2) of the Public Authorities Law.

These Guidelines will be circulated to the Board, so as to be discussed and adopted at the next Board Meeting. We will therefore need your comments on the Guidelines at your earliest convenience.

Thank You.

#123

DRAFT OF 1/8/88

MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK

CONTRACT PAYMENT GUIDELINES

As Adopted January 12, 1988

I. Purpose.

A. Adoption. These Guidelines are adopted by the Board of Directors of the Municipal Assistance Corporation For The City of New York, effective as of January 12, 1988, pursuant to Section 2880 of the Public Authorities Law of the State of New York.

B. Scope. These Guidelines specify the policies and procedures relating to the payment of contracts entered into by the Municipal Assistance Corporation on or after May 1, 1988. For purposes of these Guidelines, a contract is an agreement for a person or persons who are not providing such service as officers or employees of the Corporation or of any other public corporation or agency of the State of New York to sell materials, equipment or supplies or render or provide services to the Corporation.

C. Amendment. These Guidelines may be amended by the Board of Directors from time to time as circumstances warrant.

DRAFT OF 1/8/88

CONTRACT PAYMENT GUIDELINES

Page 2

II. Procedures.

A. Invoices. In order to initiate any payment pursuant to a contract, a contractor shall be required to submit a proper invoice to the Corporation, except where the contract provides that the contractor will be paid at predetermined intervals. A proper invoice shall contain a written request for contract payment and shall set forth the description, price and quantity of goods or services delivered or rendered, in such form and supported by such other substantiating documentation as the Corporation may reasonably require.

B. Schedule of Payment.

1. The Corporation shall make payment under a contract within forty-five calendar days after receipt of an invoice for the amount of the payment then due, for each invoice received prior to July 1, 1989. For each invoice received on or after July 1, 1989, the Corporation shall make payment within thirty calendar days (excluding legal holidays) after receipt of such invoice for the amount of the payment then due. Where the contract provides that the contractor will be paid at predetermined intervals, payments shall be made by the payment due date specified in accordance with the contract. Failure to make payment by such specified date, within forty-five calendar

DRAFT OF 1/8/88

CONTRACT PAYMENT GUIDELINES

Page 3

days after the receipt of a proper invoice prior to July 1, 1989, or within thirty calendar days (excluding legal holidays) days after the receipt of a proper invoice on or after July 1, 1989, shall result in the Corporation becoming liable for payment of interest as specified in Section III(A)(1) of these Guidelines.

2. The Corporation shall have fifteen calendar days after receipt of an invoice to notify the contractor of:

a. Defects in the delivered goods or services;

b. Defects in the invoice; or

c. Suspected improprieties of any kind.

The existence of such defects or improprieties shall prevent the commencement of the thirty day period specified in Section II(B)(1) of these Guidelines. The Corporation shall notify the contractor of the existence of any such defect or impropriety within fifteen calendar days of receipt of the invoice.

III. **Penalty for Late Payment.**

A. Payment of Interest.

1. Except where defects or improprieties of the type specified in Section II(B)(2) of the Guidelines justify extension of the date by which

contract payment must be made, the Corporation shall be liable for the payment of interest if payment is made later than the date specified in Section II(B)(1) of these Guidelines for the amount of the contract payment due or the payment due date specified in accordance with the contract.

2. Interest shall be computed at the rate equal to the rate set by the New York State Tax Commission for corporate tax pursuant to section 1096(e)(1) of the Tax Law.

B. Sources of Funds. The Corporation will make any payment of interest required by Section III(A)(1) of these Guidelines with moneys in the Corporation's Operating Fund, established pursuant to Section 602 of the First General Bond Resolutions.

IV. Annual Report. Annually, the Executive Director shall prepare and the Board of Directors shall review and approve a Contract Payment Report covering the fiscal year of the Corporation, in accordance with Section 2880 (11)(a) of the Public Authorities Law. The Contract Payment Report shall be submitted to the New York State Division of the Budget, the New York State Department of Audit and Control, and the Senate Finance Committee and the Assembly Ways and Means Committee of the State of New York. Copies of the annual report, as well as the Guidelines, shall also be made available to the public upon reasonable request.

V. Applicability. These Guidelines shall govern all contracts entered into by the Municipal Assistance Corporation on and after May 1, 1988.



STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER
ALBANY, NEW YORK
12236

EDWARD V. REGAN
STATE COMPTROLLER

September 9, 1987

Mr. Stephen J. Weinstein
Executive Director
Municipal Assistance Corporation for the
City of New York
One World Trade Center, Suite 8901
New York, New York 10017

Dear Mr. Weinstein:

Recently enacted prompt payment legislation, which I strongly supported, provides an excellent opportunity for public authorities and public benefit corporations to lower their own costs and assist the vendors they do business with.

The new law requires certain public authorities and public benefit corporations to pay bills within specific periods of time and requires interest to be paid to vendors for unjustified late payments. Further, it requires the public authority or public benefit corporation to report annually on the effectiveness of its prompt payment policy.

This law should not be seen as a punitive measure, but as good government. Prompt payment by public authorities will encourage more companies to bid on authority projects and presumably, lower costs. It also stresses the partnership that government in New York State has maintained with the business community.

To assist you in implementing this law, I will give you a brief description on how prompt payment has worked in making State departments and agencies function in a more business-like manner. Prompt payment has been a tremendous success for State agencies. The State now pays its bills on the average within 32 days -- much faster than private industry, which averages 44 days. Prior to the prompt payment law, New York paid its bills within 54 days. Before its enactment, my Office estimated -- based upon experience -- that it would cost the State \$11 million annually. But in the last fiscal year, the State paid only \$440,000 in interest on more than \$4 billion in purchased goods and services.

We were successful for two reasons primarily. State agencies saw the benefits of prompt payment and took the steps to make it work. And my Office developed an automated system to monitor payment processing. During processing, each payment is on a "clock." The agencies have a limit of 33 days to process their bills and send them to my Office for audit and payment. We then have 12 days to accomplish this task. My

Office also issues daily reports to agencies which identify invoices that are approaching the required payment date. We then can send a warning to an agency that nears the time limit on payment so that payment can be expedited to save the offending agency an interest charge. Whenever the processing time exceeds 45 days, the computer system automatically prints a clearly defined interest check, which is mailed to the vendor within one week.

My Office will work with you in implementing a prompt payment policy for your authority or corporation. And I can assure you that it is an area that will be audited by my Management Audit staff during their examinations of your management practices. These audits -- like all our reviews -- will highlight weaknesses and offer recommendations to correct them, as well as taking due note of positive achievements in this area.

I hope that you take this opportunity to make the prompt payment legislation work. My staff will be available to assist you in this endeavor. If you have questions or need assistance, please call James McGill, Deputy Comptroller -- Division of Pre-Audit and Accounting Operations, at (518) 474-9025.

Sincerely,

A handwritten signature in cursive script that reads "Ed Regan".

Edward V. Regan
Comptroller

MEMORANDA

Ch. 183

animal control functions in the event the City deems it necessary to do so. Obviously, such flexibility would enhance the City's ability to obtain quality animal control services at the lowest cost.

Accordingly, the Mayor urges upon the Legislature the earliest possible favorable consideration of this proposal.

¹ Agriculture and Markets Law § 106 et seq.

PUBLIC AUTHORITIES AND PUBLIC BENEFIT CORPORATIONS— PROMPT PAYMENT OF BILLS

Text of Law, see Ch. 183

Memorandum of State Executive Department

To encourage public authorities and public benefit corporations to pay bills within specific periods of time by requiring interest penalties for unjustified late payments.

Summary of Provisions:

Bill section one states the intent of the Legislature that private firms and organizations that do business with public authorities and public benefit corporations expect and deserve to be paid on time.

Bill section two amends the Public Authorities Law by adding a new section 2880, to require each covered public authority and public benefit corporation to adopt a prompt payment policy.

In particular, new section 2880:

1. Applies to payments by public authorities and public benefit corporations, a majority of the governing board members of which are either appointed by the Governor or are State officers.
2. Generally provides each authority 45 calendar days (after July 1, 1989, 30 days excluding legal holidays) to make payment after the receipt of an invoice for the amount due under the contract without incurring a liability for interest.
3. Requires that each covered authority promulgate rules and regulations detailing its prompt payment policy in a statement, which shall include: a reference to section 2880 of the Public Authorities law; a description of the procedure for requesting payment; a schedule for making prompt payment; a declaration that interest will be paid when prompt payment is not made; a statement of the rate at which interest will accrue; a list of the fund sources available to pay an interest penalty; and a list of any facts and conditions which reasonably justify the extension of the date by which contract payment must be made in order for the authority not to become liable for interest payments.

Such list may provide for the extension of such date by which contract payment must be made where under any statute or contract payment must be preceded by an inspection or audit, or a State appropriation has yet to be enacted, or a proper invoice

THE LEGISLATURE

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must be examined by the federal government. In addition, the period may also be modified in accordance with subdivision 8 of section 2880 for the period of time provided for therein.

4. Requires that statements be filed within thirty days of adoption with the Director of the Budget, the State Comptroller, the Chairman of the Senate Finance Committee, and the Chairman of the Assembly Ways and Means Committee.

5. Requires that each authority prepare an annual report detailing its prompt payment performance, including a list of the types of contracts which were subject to the prompt payment requirements; the number and amount of interest payments made; and the time taken to process each late payment with principal reasons for the late payments.

6. Ensures that the public has access to each authority's statement and annual report.

7. Excludes from the provisions of section 2880 payments due under the Eminent Domain Procedure law; payments to the Federal government; payments to any State agency or local government; payments to any other public authority or public benefit corporation, and payments which are subject to a legally authorized set-off.

8. Allows for judicial review of any authority's determination which prevents the commencement of the time in which interest will be paid and specifies time limits on the obligation to make interest payments in the event of legal proceedings.

9. Excludes from the provisions of section 2880 payments to contractors by the Facilities Development Corporation and the State University Construction Fund.

Bill section three reduces from 45 to 30 calendar days the general time period during which a corporation may process an invoice for payment under contracts subject to section 2880, as proposed in bill section one, without paying interest charges. This provision takes effect July 1, 1989, as provided in bill section five.

Bill section four amends section 139-f(1-a) of the State Finance Law to clarify that payment due under a contract subject to the provisions of section 2880, as added by bill section two, shall be made in accordance with such section, notwithstanding any other provision of section 139-f to the contrary. This provision takes effect January 1, 1989, as provided in bill section five.

Bill section five sets forth the effective date of the bill.

Existing Law:

This is new legislation; however, Article XI-A of the State Finance Law provides a statutory mechanism to encourage prompt payment by State agencies. Only two public benefit corporations are covered by Article XI-A, the Facilities Development Corporation and the State University Construction Fund.

MEMORANDA

Ch. 183

Statement in Support:

In 1984, the Legislature enacted Article XI-A of the State Finance Law, which provides a comprehensive framework to encourage prompt payment by State agencies. This legislation did not apply to State public authorities and public benefit corporations, many of which contract with firms that were intended to benefit from the provisions of Article XI-A.

When firms are doing business with authorities, they expect and deserve to be paid in a timely manner. Prompt payment helps reduce construction and operating costs, maintain work schedules and ensure that private firms will continue to do business with authorities, and it encourages firms reluctant to do business with authorities because of slow payment to bid for such business. The Legislature, organizations representing many of these firms and small, minority and women-owned businesses have consistently recognized these principles and advocated proposals to encourage prompt payment by authorities.

This bill is a continuation of these efforts. It creates an incentive to make prompt payment by requiring authorities to adopt comprehensive prompt payment policies, providing for an interest penalty on late payments and requiring an annual report on the efficacy authority's prompt payment policy.

Public authorities and public benefit corporation have been established to provide flexibility in the financing, construction and operation of facilities throughout the State, and to undertake particular projects or activities without many of the restrictions inherent in State contracting and payment procedures. This bill maintains that flexibility yet recognizes the importance of timely payment by authorities to contractors by requiring each authority: to tailor prompt payment schedules to the various, and possibly unique, types of contracts it enters into; to select which of its sources of funds will be made available to pay any interest penalties; and to determine the reasons why payment may reasonably be delayed without interest penalty.

Thus, as a general rule in order for an authority not to be liable for the payment of interest, payment must be made within 45 days after receipt of an invoice; however, an authority may provide, among other things, that the period does not begin to run until the funds needed to pay a contractor have been received by the authority from the source of those funds (e.g., Federal funds) or until an audit or inspection has been completed pursuant to the terms of the authority's contract with a private firm.

In addition, the bill includes provisions to modify the prompt payment period in instances of defects in the contractor's work, defects in the invoice or improprieties of any kind and to account for contracts that provide for payments at predetermined intervals.

Finally, since the bill requires authorities to promulgate rules and regulations detailing their prompt payment policies and issue annual reports on their performance under these policies, interested parties will have an opportunity to monitor the implementation of this bill.

Budget Implications:

None.

¹ State Finance Law § 179-d et seq.

newspaper of the town prior to the year nineteen hundred forty and continued to be so designated and publishing for at least thirty years after such year.

§ 2. This act shall take effect immediately.

**PUBLIC AUTHORITIES AND PUBLIC BENEFIT CORPORATIONS—
PROMPT PAYMENT OF BILLS**

Memoranda relating to this chapter, see Legislative and Executive Memoranda, post

CHAPTER 183

Approved June 29, 1987, effective as provided in section 5

AN ACT to amend the public authorities law and the state finance law, in relation to payment of interest on certain debts of public authorities and public benefit corporations

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

§ 1. Legislative intent. Firms and organizations that do business with public authorities and public benefit corporations expect and deserve to be paid in a timely manner. This legislation sets forth standards for the payment of bills incurred by public authorities and public benefit corporations within specific periods of time and requires interest penalties in situations where payments do not conform to these standards.

§ 2. The public authorities law is amended by adding a new section twenty-eight hundred eighty to read as follows:

§ 2880. Prompt payment

1. Definitions. As used in this section, the following terms shall have the following meanings unless the context shall indicate another or different meaning or intent:

(a) "Corporation" means every public authority and public benefit corporation a majority of the governing board members of which are either appointed by the governor or serve as members by virtue of their service as an officer of a state department, division, agency, board or bureau, or combination thereof.

(b) "Contract" means an enforceable agreement entered into between a corporation and a contractor.

(c) "Contractor" means any person, partnership, private corporation or association:
(i) selling materials, equipment, or supplies or leasing property or equipment to a corporation;

(ii) constructing, reconstructing, rehabilitating or repairing buildings, highways or other improvements for or on behalf of a corporation; or

(iii) rendering or providing services to a corporation pursuant to a contract.

(d) "Designated payment office" means the office designated by the corporation to which a proper invoice is to be submitted by a contractor.

(e) "Prompt payment" means payment of a debt due and owing by a corporation before interest accrues thereon pursuant to a statement adopted in accordance with this section.

(f) "Proper invoice" means a written request for a contract payment that is submitted by a contractor setting forth the description, price and quantity of goods, property, or services delivered or rendered, in such form and supported by such other substantiating documentation as the corporation may reasonably require.

(g) "Receipt of an invoice" means (i) the date on which a proper invoice is actually received in the designated payment office, or (ii) the date on which the corporation

receives the purchased goods, property, or services covered by the proper invoice, whichever is later.

(h) "Set-off" means the reduction by the corporation of a payment due to a contractor by an amount equal to the amount of an unpaid legally enforceable debt owed by the contractor to the corporation.

(i) "Statement" means the rules and regulations adopted by a corporation pursuant to subdivision two of this section and any amendments thereto.

2. Statement adoption. Within one hundred twenty days after either the effective date of this section or the beginning of the existence of the respective corporation, whichever is later, each corporation shall promulgate rules and regulations detailing its prompt payment policy.

3. Statement contents. (a) The statement shall include, but not be limited to, a reference to this section and the following for each type or category of contract as determined by the corporation:

(i) a description of the procedure to be followed by a contractor in requesting payment under a contract;

(ii) a schedule setting forth the time in which the corporation will make prompt payment under a contract;

(iii) a declaration that interest will be paid when prompt payment is not made and a statement of the rate at which such interest will accrue;

(iv) a list of the sources of funds available to the corporation to pay an interest penalty on each type or category of contract; and

(v) a list of facts and conditions which in the opinion of the corporation's governing body reasonably justify extension of the date by which contract payment must be made in order for the corporation not to become liable for interest payments in accordance with subdivision seven of this section.

(b) Such facts and conditions may include, but shall not be limited to, the following when:

(i) in accordance with specific statutory or contractual provisions, payment must be preceded by an inspection period or by an audit to determine the resources applied or used by a contractor in fulfilling the terms of the contract;

(ii) the necessary state government appropriation required to authorize payment has yet to be enacted;

(iii) a proper invoice must be examined by the federal government prior to payment; and

(iv) such date by which contract payment must be made is modified in accordance with subdivision eight of this section.

4. Statement amendment. Each corporation shall have the power to amend its statement by promulgating amended rules and regulations.

5. Statement filing. Each corporation shall, within thirty days after the statement's adoption, file a copy of such statement, and amendments thereto, with the state comptroller, the state director of the budget, the chairman of the senate finance committee, and the chairman of the assembly ways and means committee.

6. Contract incorporation. The statement in effect at the time of creation of a contract is hereby incorporated into and made a part of that contract.

7. Interest eligibility and computation. (a) In order for the corporation not to be liable for the payment of interest, contract payment must be made within forty-five calendar days after the receipt of an invoice for the amount of the contract payment due; except when the contract payment is of the type where the facts and conditions are as defined pursuant to subparagraph (v) of paragraph (a) of subdivision three of this section. Any time taken to satisfy or rectify any of the facts or conditions described in subdivision three (except for subparagraph (iv) of paragraph (b) of subdivision three) of this section

shall extend the date by which contract payment must be made in order for the corporation not to become liable for interest payments by an equal period of time.

(b) A corporation, which must process payments through the state department of audit and control, the department of taxation and finance, or some other entity not under the corporation's control, shall not be liable for interest due to the process time taken by such entity.

(c) Notwithstanding any other provision of law to the contrary, interest shall be computed at the rate equal to the rate set by the state tax commission for corporate taxes pursuant to paragraph one of subsection (e) of section one thousand ninety-six of the tax law.

8. Each corporation shall have fifteen calendar days after receipt of an invoice by the corporation at its designated payment office to notify the contractor of (a) defects in the delivered goods, property, or services, (b) defects in the invoice, or (c) suspected improprieties of any kind; and the existence of such defects or improprieties shall prevent the commencement of the time period specified in subdivision seven of this section. When a corporation fails to notify a contractor of such defects or suspected improprieties within fifteen calendar days of receiving the invoice, the number of days allowed for payment of the corrected proper invoice will be reduced by the number of days between the fifteenth day and the day that notification was transmitted to the contractor. If the corporation, in such situations, fails to provide reasonable grounds for its contention that a defect or impropriety exists, the date by which contract payment must be made in order for the corporation not to become liable for interest payments shall be calculated from the date of receipt of an invoice.

9. Notwithstanding any provision of the public service law or any tariffs promulgated pursuant to that law to the contrary, the provisions of this section shall provide the sole basis for determining and making interest payments on invoices submitted by public utilities to corporations.

10. A proper invoice submitted by the contractor shall be required to initiate any payment, except where the contract provides that the contractor will be paid at predetermined intervals without having to submit an invoice for each such scheduled payment and, for the purposes of determining eligibility for payment of interest and subject to the exception and time-to-rectify provisions of subdivisions three and seven of this section, the date by which contract payment must be made in order for the corporation not to become liable for interest payments shall be the payment due date specified in accordance with the contract.

11. Annual report. (a) Each corporation shall annually prepare a report on the scope and implementation of its prompt payment policy which shall include, but not be limited to:

(i) A listing of the types or categories of contracts which the corporation entered into during the twelve month period covered by the report, together with a brief indication of whether each such type or category of contract was subject to the prompt payment requirements promulgated by the corporation and, if not, why not;

(ii) The number and amounts of interest payments made for contracts arranged according to each such type or category;

(iii) The number of interest chargeable days and the total number of days taken to process each late contract payment; and

(iv) A summary of the principal reasons that such late payments occurred.

(b) Within ninety days after the completion of its fiscal year, each corporation shall file copies of the report required by paragraph (a) of this subdivision with the state comptroller, the state director of the budget, the chairman of the senate finance committee, and the chairman of the assembly ways and means committee.

12. Public access. (a) Each corporation shall make available to the public, upon a reasonable request therefor, copies of its statement and annual report.

(b) Each contractor doing business with a corporation shall be given a copy of that corporation's statement.

13. Inapplicability of section. The provisions of this section shall not apply to payments due and owing by a corporation:

(a) under the eminent domain procedure law;

(b) as interest allowed on judgments rendered by a court pursuant to any provision of law other than those contained in this section;

(c) to the federal government; to any state agency or its instrumentalities; to any duly constituted unit of local government including, but not limited to, counties, cities, towns, villages, school districts, special districts, or any of their related instrumentalities; to any other public authority or public benefit corporation; or to its employees when acting in, or incidental to, their public employment capacity;

(d) in situations where the corporation exercises a legally authorized set-off against all or part of the payment due the contractor.

14. The provisions of this section shall not apply to the facilities development corporation or the state university construction fund.

15. Judicial review. Any determination made by a corporation pursuant to this section which prevents the commencement of the time in which interest will be paid shall be subject to judicial review in a proceeding pursuant to article seventy-eight of the civil practice law and rules.¹ Such proceedings shall only be commenced in the absence, or upon completion, of other review procedures specified in the contract or by regulation.

16. Court action or other legal processes. (a) Notwithstanding any other provisions of law to the contrary, the liability of a corporation, insofar as incurring an obligation to make an interest payment to a contractor pursuant to the terms of this section is concerned, shall not extend beyond the date of a notice of intention to file a claim, the date of a notice of a claim, or the date commencing a legal action for the payment of such interest, whichever occurs first.

(b) With respect to the court action or other legal processes referred to in paragraph (a) of this subdivision, any interest obligation incurred by a corporation after the date specified therein pursuant to any provision of law other than this section shall be determined as prescribed by such separate provision of law, shall be paid as directed by the court, and shall be paid from any source of funds available for that purpose.

¹ CPLR § 7801 et seq.

§ 3. Paragraph (a) of subdivision seven of section twenty-eight hundred eighty of such law, as added by section two of this act, is amended to read as follows:

(a) In order for the corporation not to be liable for the payment of interest, contract payment must be made within ~~forty-five~~ thirty calendar days, excluding legal holidays, after the receipt of an invoice for the amount of the contract payment due; except when the contract payment is of the type where the facts and conditions are as defined pursuant to subparagraph (v) of paragraph (a) of subdivision three of this section. Any time taken to satisfy or rectify any of the facts or conditions described in subdivision three (except for subparagraph (iv) of paragraph (b) of subdivision three) of this section shall extend the date by which contract payment must be made in order for the corporation not to become liable for interest payments by an equal period of time.

§ 4. Subdivision one-a of section one hundred thirty-nine-f of the state finance law, as added by chapter one hundred fifty-three of the laws of nineteen hundred eighty-four, is amended to read as follows:

1-a. Notwithstanding any other provision of this section to the contrary, payment of the moneys due under a contract awarded (i) by a state agency as defined in article eleven-A of this chapter¹ or (ii) by a corporation as defined in subdivision one of section twenty-eight hundred eighty of the public authorities law which is subject to the provision of this section shall be made in accordance with the provisions of that such article eleven-A, in the case of such state agencies, or such section twenty-eight hundred eighty, in the case of such corporations, provided failure to make such payment, as heretofore prescribed, shall not be due to any fault, neglect, or omission on the part of the contractor

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or by reason of the filing of any lien, attachment, or other legal process against the money due such contractor.

¹ State Finance Law § 179-c et seq.

§ 5. This act shall take effect on the first day of January next succeeding the date on which it shall have become a law and shall apply to all contracts entered into on and after the one hundred twentieth day after that effective date, provided however, that: (i) subdivision eleven of section twenty-eight hundred eighty of the public authorities law, as added by section two of this act, shall take effect January first, nineteen hundred eighty-nine, and (ii) section three of this act shall take effect July first, nineteen hundred eighty-nine and shall apply to payment of invoices received by such corporations on or after such date.

**RESPITE DEMONSTRATION PROGRAM FOR FRAIL OR DISABLED
ADULTS—EXTENSION OF PROVISIONS**

CHAPTER 184

Approved and effective June 29, 1987

AN ACT to amend chapter seven hundred sixty-seven of the laws of nineteen hundred eighty-one amending the social services law and the public health law, relating to the establishment of a respite demonstration program for frail or disabled adults, in relation to the extension of such program

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

§ 1. Section seven of chapter seven hundred sixty-seven of the laws of nineteen hundred eighty-one amending the social services law and the public health law, relating to the establishment of a respite demonstration program for frail or disabled adults, as amended by chapter five hundred seventy-seven of the laws of nineteen hundred eighty-six, is amended to read as follows:

§ 7. This act shall take effect immediately and shall remain in full force and effect until the thirty-first day of July, nineteen hundred ~~eighty-seven~~ eighty-eight.

§ 2. This act shall take effect immediately.

**SALES AND USE TAXES—EXEMPTION—TANGIBLE PERSONAL
PROPERTY DONATED BY MANUFACTURER, PROCESSOR OR
ASSEMBLER TO EXEMPT ORGANIZATION**

Memorandum relating to this chapter, see Legislative Memoranda, post

CHAPTER 185

Approved June 29, 1987, effective as provided in section 3

AN ACT to amend the tax law, in relation to the exemption for tangible personal property donated to an exempt organization from sales and use taxes and to repeal subdivision eleven of section eleven hundred eighteen of such law relating thereto

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

MEMORANDA

Ch. 183

animal control functions in the event the City deems it necessary to do so. Obviously, such flexibility would enhance the City's ability to obtain quality animal control services at the lowest cost.

Accordingly, the Mayor urges upon the Legislature the earliest possible favorable consideration of this proposal.

¹ Agriculture and Markets Law § 106 et seq.

PUBLIC AUTHORITIES AND PUBLIC BENEFIT CORPORATIONS— PROMPT PAYMENT OF BILLS

Text of Law, see Ch. 183

Memorandum of State Executive Department

To encourage public authorities and public benefit corporations to pay bills within specific periods of time by requiring interest penalties for unjustified late payments.

Summary of Provisions:

Bill section one states the intent of the Legislature that private firms and organizations that do business with public authorities and public benefit corporations expect and deserve to be paid on time.

Bill section two amends the Public Authorities Law by adding a new section 2880, to require each covered public authority and public benefit corporation to adopt a prompt payment policy.

In particular, new section 2880:

1. Applies to payments by public authorities and public benefit corporations, a majority of the governing board members of which are either appointed by the Governor or are State officers.
2. Generally provides each authority 45 calendar days (after July 1, 1989, 30 days excluding legal holidays) to make payment after the receipt of an invoice for the amount due under the contract without incurring a liability for interest.
3. Requires that each covered authority promulgate rules and regulations detailing its prompt payment policy in a statement, which shall include: a reference to section 2880 of the Public Authorities law; a description of the procedure for requesting payment; a schedule for making prompt payment; a declaration that interest will be paid when prompt payment is not made; a statement of the rate at which interest will accrue; a list of the fund sources available to pay an interest penalty; and a list of any facts and conditions which reasonably justify the extension of the date by which contract payment must be made in order for the authority not to become liable for interest payments.

Such list may provide for the extension of such date by which contract payment must be made where under any statute or contract payment must be preceded by an inspection or audit, or a State appropriation has yet to be enacted, or a proper invoice

THE LEGISLATURE

Ch. 183

must be examined by the federal government. In addition, the period may also be modified in accordance with subdivision 8 of section 2880 for the period of time provided for therein.

4. Requires that statements be filed within thirty days of adoption with the Director of the Budget, the State Comptroller, the Chairman of the Senate Finance Committee, and the Chairman of the Assembly Ways and Means Committee.

5. Requires that each authority prepare an annual report detailing its prompt payment performance, including a list of the types of contracts which were subject to the prompt payment requirements; the number and amount of interest payments made; and the time taken to process each late payment with principal reasons for the late payments.

6. Ensures that the public has access to each authority's statement and annual report.

7. Excludes from the provisions of section 2880 payments due under the Eminent Domain Procedure law; payments to the Federal government; payments to any State agency or local government; payments to any other public authority or public benefit corporation, and payments which are subject to a legally authorized set-off.

8. Allows for judicial review of any authority's determination which prevents the commencement of the time in which interest will be paid and specifies time limits on the obligation to make interest payments in the event of legal proceedings.

9. Excludes from the provisions of section 2880 payments to contractors by the Facilities Development Corporation and the State University Construction Fund.

Bill section three reduces from 45 to 30 calendar days the general time period during which a corporation may process an invoice for payment under contracts subject to section 2880, as proposed in bill section one, without paying interest charges. This provision takes effect July 1, 1989, as provided in bill section five.

Bill section four amends section 139-f(1-a) of the State Finance Law to clarify that payment due under a contract subject to the provisions of section 2880, as added by bill section two, shall be made in accordance with such section, notwithstanding any other provision of section 139-f to the contrary. This provision takes effect January 1, 1989, as provided in bill section five.

Bill section five sets forth the effective date of the bill.

Existing Law:

This is new legislation; however, Article XI-A of the State Finance Law provides a statutory mechanism to encourage prompt payment by State agencies. Only two public benefit corporations are covered by Article XI-A, the Facilities Development Corporation and the State University Construction Fund.

MEMORANDA

Ch. 183

Statement in Support:

In 1984, the Legislature enacted Article XI-A of the State Finance Law, which provides a comprehensive framework to encourage prompt payment by State agencies. This legislation did not apply to State public authorities and public benefit corporations, many of which contract with firms that were intended to benefit from the provisions of Article XI-A.

When firms are doing business with authorities, they expect and deserve to be paid in a timely manner. Prompt payment helps reduce construction and operating costs, maintain work schedules and ensure that private firms will continue to do business with authorities, and it encourages firms reluctant to do business with authorities because of slow payment to bid for such business. The Legislature, organizations representing many of these firms and small, minority and women-owned businesses have consistently recognized these principles and advocated proposals to encourage prompt payment by authorities.

This bill is a continuation of these efforts. It creates an incentive to make prompt payment by requiring authorities to adopt comprehensive prompt payment policies, providing for an interest penalty on late payments and requiring an annual report on the efficacy authority's prompt payment policy.

Public authorities and public benefit corporation have been established to provide flexibility in the financing, construction and operation of facilities throughout the State, and to undertake particular projects or activities without many of the restrictions inherent in State contracting and payment procedures. This bill maintains that flexibility yet recognizes the importance of timely payment by authorities to contractors by requiring each authority: to tailor prompt payment schedules to the various, and possibly unique, types of contracts it enters into; to select which of its sources of funds will be made available to pay any interest penalties; and to determine the reasons why payment may reasonably be delayed without interest penalty.

Thus, as a general rule in order for an authority not to be liable for the payment of interest, payment must be made within 45 days after receipt of an invoice; however, an authority may provide, among other things, that the period does not begin to run until the funds needed to pay a contractor have been received by the authority from the source of those funds (e.g., Federal funds) or until an audit or inspection has been completed pursuant to the terms of the authority's contract with a private firm.

In addition, the bill includes provisions to modify the prompt payment period in instances of defects in the contractor's work, defects in the invoice or improprieties of any kind and to account for contracts that provide for payments at predetermined intervals.

Finally, since the bill requires authorities to promulgate rules and regulations detailing their prompt payment policies and issue annual reports on their performance under these policies, interested parties will have an opportunity to monitor the implementation of this bill.

Budget Implications:

None.

¹ State Finance Law § 179-d et seq.

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

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

11 January 1988

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

Ladies and Gentlemen:

In various letters, the most recent dated November 3, 1987, you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of January 15, 1988 of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated November 3, 1987 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.

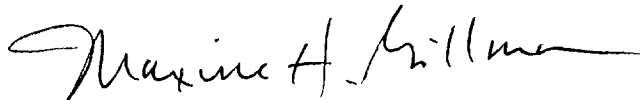
*Municipal Assistance Corporation
For The City of New York*

11 January 1988
PAUL, WEISS, RIFKIND,
WHARTON & GARRISON
Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

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

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

11 January 1988

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

Ladies and Gentlemen:

In various letters, the most recent dated November 2, 1987 you, as our counsel, provided our independent accountants, Price Waterhouse, with certain information. We would appreciate your advising them as of January 15, 1987 of any information which you may have obtained subsequent to your last letter to Price Waterhouse dated November 2, 1987, 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.

*Municipal Assistance Corporation
For The City of New York*

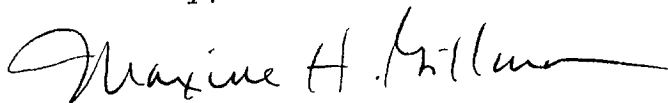
11 January 1988
ORRICK, HERRINGTON & SUTCLIFFE

Page Two

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

Please provide the Corporation with a copy of your letter.

Sincerely,



Maxine H. Gillman
Counsel

bba:105

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

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 January 1988

Ms. Judith Hamill
Financial and Legal Sales
R. R. DONNELLEY & SONS COMPANY
75 Park Place
New York, New York 10007

Re: Series 64 Financing Printing

Dear Judy:

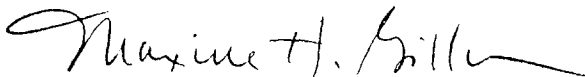
As we have discussed, the Municipal Assistance Corporation would like to engage your firm to undertake the financial printing required in connection with the proposed offering and sale of its Series 64 Bonds.

You have informed me that you would be willing to undertake this work in accordance with the specifications which we previously furnished you on January 6, 1987 and in accordance with the prices contained in your quotation dated January 8, 1987 submitted in response to those specifications (copies attached).

We currently expect to complete and print the Preliminary Official Statement on Tuesday, January 12, 1988, but our schedule is subject to change.

Please sign and return the enclosed copy of this letter.

Sincerely,



Maxine H. Gillman
Counsel

Enclosure

bba:l22

MEMORANDUM

Date: 7 January 1987
To: See Distribution
From: Maxine H. Gillman
Re: Series 64 Preliminary Official Statement

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

Enclosed for your review and comment is a draft of the subsection "Fiscal Years 1988-1991" of the City Section of the Series 64 Preliminary Official Statement.

If possible, please call Steve Markbreiter or me with your comments by 3 p.m. tomorrow so that I can pull another proof over the weekend which includes agreed-upon language.

As our schedule is still tentative and we have not yet made a public announcement of a new financing, I would appreciate your continuing confidentiality.

Thank you.

Distribution: Mark Page
Howard Kadin
Steven Cohen
Brian Perlee
Leonard Goodwin

DRAFT OF 1/7/88

Fiscal Years 1988-1991

On July 2, 1987, the City submitted to the Control Board a financial plan for the 1988 through 1991 fiscal years. Such plan, as modified through September 30, 1987 (the "1988-1991 Financial Plan"), projected a balanced budget for fiscal 1988, and budget gaps of \$575 million, \$1.194 billion and \$1.144 billion, respectively, in fiscal years 1989, 1990 and 1991. The City is scheduled to submit a major mid-year modification to the 1988-1991 Financial Plan on or about February 1, 1988, reflecting actual experience of the first six months of the current fiscal year and adjustments of revenue and expense projections for the balance of the four-year period.

The City economy bears particular scrutiny at this time due to recent significant adverse developments in the securities industry. The effects of the current economic downturn may require the City to impose service cutbacks, increase revenue collections, or both. At the same time, the effects of increases in City labor costs, its largest category of expenditures, must be considered as well.

Most City labor contracts expired at the end of the 1987 fiscal year. The City has reached settlements with several unions representing most of its non-uniformed employees, while negotiations between the City and the other labor unions are still in progress. City officials have stated that they will agree only to settlements that the City can afford. However, the terms of the eventual settlements could be determined through impasse procedures provided for in the New York City Collective Bargaining Law. The City's labor negotiator has suggested mediation as a means of overcoming disagreements between the parties in the current round of collective bargaining.

The 1988-1991 Financial Plan currently reflects recent three-year settlements reached with Local 237 and Local 832 International Brotherhood of Teamsters, the United Federation of Teachers and District Council 37, in combination representing about 60% of the City's workforce. Those settlements provide for annual increases in wages of 5.3%, 5.85% and 5.9%, in 1988, 1989 and 1990, respectively. Should comparable settlements be reached with the other unions, the total additional labor costs to the City would be \$494 million, \$1.167 billion and \$1.837 billion in fiscal years 1988, 1989 and 1990, respectively, aggregating approximately \$1.2 billion in excess of the assumptions incorporated in the original Four-Year Financial Plan submitted in July 1987.

The securities industry has played an increasingly significant role in the City's economy in recent years and contributes substantially to the City's tax revenues. As the City's economy enjoyed a sustained period of robust expansion during the past six years, much of that has been attributable to marked growth in its financial services sector. The financial industry has accounted for approximately 25% of employment expansion in the City in recent years, more than offsetting continuing declines in its manufacturing base.

During the past several months, several developments have occurred in the financial services sector which may signal a cessation of this growth pattern. Firms engaged in this business began to reorganize and in some cases retrench by mid-year. In the Fall, the financial

markets suffered sharp declines which, in turn, have led to additional contractions in workforce and business plans for the future. Over 10,000 jobs have been eliminated to date by financial firms alone, with related cuts possible in sectors which service them, such as law and accounting. Although the City is unable to predict the precise impact on the City's economy and finances of the circumstances in the financial services industry, the slowdown in growth in that sector may result in decreased revenues from business income and other taxes the City derives from financial firms.

In response to these developments, the City promptly in October 1987 announced a freeze on hiring for 5,200 jobs and suspended a 5% salary increase for 90 days, subject to extension of the freeze if warranted by continued monitoring of revenue collections, thus providing the City flexibility to reduce expenditures if required. The City in January 1988 stated that it would extend the hiring freeze in part, and would eliminate 1,348 positions in the Police Department if the State enacts a pension bill which would cost the City approximately \$200 million during fiscal years 1988 and 1989. The City expects the hiring freeze to reduce City expenditures by \$14.5 million as of February 1, 1988, and if extended, by \$83.5 million as of June 30, 1988 and \$269 million by the end of fiscal 1989.

The City has also announced that the upcoming February modification to the 1988-1991 Financial Plan will reflect expenditure reductions in each City agency. In addition, the City is seeking to save another \$500 million by the end of fiscal 1989, through reduced expenditures, productivity savings, and improved revenue collection levels. The Mayor

recently suggested that an alternative to such cutbacks in expenditures and services for the coming fiscal year would be an increase in the City real property tax, currently averaging \$9.43 per \$100 of assessed valuation

At present, the 1988-1991 Financial Plan includes approximately \$266 million in revenues in fiscal year 1988 and \$189 million over the following two years, resulting from the proposed sale and development of the New York Coliseum site. A December 7, 1987 State court decision voided the City's contract with the proposed developer of the site. Although the City has stated that it intends to appeal, failure to complete the sale by June 30, 1988 could result in a gap in the 1988 City Budget. Subsequently, the City announced a tentative new agreement with the developer of the Coliseum site that would reduce the selling price of such property from \$455 million to \$357 million and would provide the developer with \$50 million in tax reductions for a combined reduction of \$148 million in revenues for the City. This new proposed plan may be considered by the Board of Estimate in six to nine months.

The City's General Reserve for its 1988 and 1989 fiscal years includes \$22 million and \$7 million, respectively, for potential reductions in Federal aid to the City. The Administration and Congressional leaders have reached an agreement on a deficit reduction plan for Federal fiscal years 1988 and 1989. This plan is comprised of tax and revenue increases, spending cuts and program reconciliation, which are expected to result in deficit reduction totals of

DRAFT OF 1/7/88
Page 5

\$30.2 billion and \$45.9 billion, respectively, in Federal fiscal years 1988 and 1989. The 1988-1991 Financial Plan assumes that all existing Federal categorical grant programs will continue at present levels unless specific legislation provides for their termination or adjustment.

ba:122

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

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

January 6, 1988

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

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

Gentlemen:

Pursuant to Section 3036 of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 71 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 January 6, 1988.

Certificate Number 71 relates to the cash needs of the Corporation for the 1988 fiscal year with respect to the Series EE through Series HH Bonds issued pursuant to its First General Bond Resolution and to its Operating Fund requirements.

Sincerely,



Quentin B. Spector
Treasurer

Enclosures

cc: Attached

bba:123

*Municipal Assistance Corporation
For The City of New York*

January 6, 1988

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

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

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		
	\$ 5,700,000	01/12/88
	73,089,000	04/12/88
	<u>73,089,000</u>	06/30/88
TOTAL (Fiscal Year 1988)	\$ 151,878,000	
Operating Fund Under Section 3036 of the Public Authorities Law		
	<u>\$ -0-</u>	01/12/88
TOTAL (Fiscal Year 1988)	<u><u>\$ -0-</u></u>	

January 6, 1988

Certificate Number 71

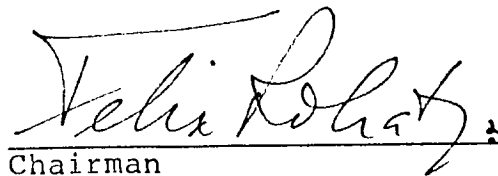
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CERTIFICATE NUMBER 71 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

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

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

IN WITNESS WHEREOF, I have hereunder set my hand and affixed the seal of the Corporation this 6th day of January 1988.


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**

January 6, 1988

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

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

Gentlemen:

Pursuant to Section 3036-a of the Public Authorities Law of the State of New York, enclosed herewith is Certificate Number 67 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 January 6, 1988.

Certificate Number 67 relates to the cash needs of the Corporation for fiscal year 1988 with respect to the Series 5 through 63 Bonds issued pursuant to its Second General Bond Resolution.

Sincerely,



Quentin B. Spector
Treasurer

Enclosures

cc: Attached

bba:123

*Municipal Assistance Corporation
For The City of New York*

January 6, 1988

Honorable Edward I. Koch, Mayor

Honorable Edward V. Regan, Comptroller

Page Two

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

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*		
	\$ 40,100,000	01/12/88
	162,270,000	04/12/88
	<u>158,739,000</u>	06/25/88**
 TOTAL (Fiscal Year 1988)	 <u>\$ 361,109,000</u>	

NOTES:

* Any payment or payments on January 12, April 12, or June 30, 1988 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 71 of the Chairman of the Corporation delivered pursuant to Section 3036 of the Act.

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

January 6, 1988

Certificate Number 67

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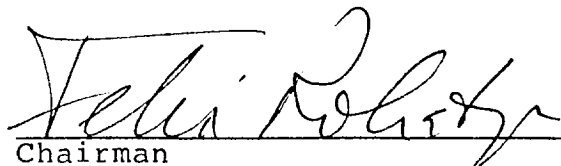
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CERTIFICATE NUMBER 67 OF THE CHAIRMAN
OF THE BOARD OF DIRECTORS OF
THE MUNICIPAL ASSISTANCE CORPORATION
FOR THE CITY OF NEW YORK TO THE COMPTROLLER
OF THE STATE OF NEW YORK AND TO
THE MAYOR OF THE CITY OF NEW YORK

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 6th day of January 1988.


Chairman

MEMORANDUM

Date: 4 January 1988
To: Beatrice Gilling Raynor
From: Stephen J. Weinstein
Re: Staff Salaries

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK



This memorandum is to direct you to adjust the payroll to reflect the following increases in annual salaries:

<u>Employee</u>	<u>Old</u>	<u>Change</u>	<u>New</u>
Amy Arner Executive Secretary	\$ 24,500	\$ 1,000	\$ 25,500
Betty B. Alpern Office Manager	35,500	1,000	36,500
Patrick Bethon Systems Manager	45,500	2,500	48,000
Denise N. Dean Systems Specialist	32,000	1,000	33,000
Vera R. Jenkins Receptionist	18,500	1,500	20,000
Helen Lee Systems Analyst	48,000	1,500	49,500
Steven C. Markbreiter Assistant Counsel	38,000	2,000	40,000
Beatrice Gilling Raynor Accountant	48,000	2,000	50,000
Vickie Standifer-Johnson Executive Secretary	24,000	1,000	25,000

These merit increases are to be effective retroactive to July 1, 1987, and paid on January 13, 1988.

cc: Quentin B. Spector
Treasurer and Deputy Executive Director

MEMORANDUM

Date: 4 January 1988
To: Beatrice Gilling Raynor
From: Stephen J. Weinstein
Re: Officers' Salaries

MUNICIPAL
ASSISTANCE
CORPORATION
FOR THE CITY
OF NEW YORK

This memorandum is to direct you to adjust the payroll to reflect the following increases in annual salaries:

Quentin B. Spector
Treasurer and Deputy Executive Director
\$99,000 to \$105,000

Maxine H. Gillman
Counsel and Secretary
\$87,000 to \$92,500

Frances N. Higgins
Deputy Treasurer
\$80,000 to \$85,000

These increases are based on continuing excellence exhibited by these individuals in the performance of their officers' responsibilities and their important contributions to the accomplishments of the Corporation during the past year.

These salary increases are to be effective retroactive to July 1, 1987, and paid on January 13, 1988.