

NEW YORK STATE

LIQUIDITY PROVIDER COSTS

Introduction:

Variable rate demand bonds utilize liquidity facilities to ensure that bonds can be successfully remarketed. Liquidity providers charge fees in basis points based on the amount of credit provided. A variety of factors impact liquidity facility pricing, including:

- The type of liquidity facility;
 - Letters of Credit offer the most coverage since they guarantee the payment of principal and interest.
 - Standby Bond Purchase Agreements only agree to purchase the bonds in the unlikely event that they cannot be remarketed.
- Options for the provider to terminate the contract;
- The relative strength of the underlying credit;
- The relative strength of the liquidity facility provider; and
- Liquidity market conditions at the time of entering into the contract.

Other forms of State-supported variable rate debt, including Auction Rate Securities and Interest Rate Swaps, do not require Liquidity Facilities.

The following chart provides information on liquidity providers and cost for State-supported debt.

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A. State Supported Liquidity Costs

New York State Division of the Budget

Liquidity Information

September 30, 2016

Issuer	Series	Amount Outstanding As of 9/30/16	Liquidity Provider	Liquidity Type	Liquidity Fee (bp)	Liquidity Renewal Date
DA	MH 2003D2 (E)	81,200,000	RBC Capital Markets	LOC	46	01/09/17
DA	MH 2003D2 (H)	41,300,000	RBC Capital Markets	LOC	46	01/09/17
DA	MH 2003D2 (F)	41,300,000	JPMorgan Chase Bank	SBPA	47.5	01/13/17
ESDC	PIT 2004A-3A	74,705,000	JPMorgan Chase Bank	SBPA	42.5	06/09/17
ESDC	PIT 2004A-3B	74,615,000	JPMorgan Chase Bank	SBPA	42.5	06/09/17
ESDC	PIT 2004A-3C	74,615,000	JPMorgan Chase Bank	SBPA	42.5	06/09/17
ESDC	PIT 2004A-3D	74,615,000	JPMorgan Chase Bank	SBPA	42.5	06/09/17
ESDC	SERV 2008A-1	100,000,000	Wells Fargo	LOC	45	06/23/17
ESDC	SERV 2008A-5	100,000,000	TD Bank	LOC	45	06/24/17
HFA	PIT 2005C	80,000,000	JPMorgan Chase Bank	SBPA	42.5	09/08/17
DA	CUNY 2008C	336,945,000	Bank of America	LOC	45	12/08/17
DA	CUNY 2008D	149,550,000	TD Bank	LOC	44	12/11/17
HFA	SERV 2003L	52,075,000	Bank of America	LOC	45	01/12/18
HFA	SERV 2003M-1	37,410,000	Bank of America	LOC	45	01/12/18
HFA	SERV 2003M-2	14,665,000	Bank of America	LOC	45	01/12/18
LGAC	2003A-4V	137,500,000	Bank of America	SBPA	43	11/16/18
LGAC	2008B-3V	137,765,000	JPMorgan Chase Bank	SBPA	55	06/24/19
LGAC	2008B-7V	50,885,000	JPMorgan Chase Bank	SBPA	55	06/24/19
LGAC	2008B-AV	49,755,000	JPMorgan Chase Bank	SBPA	55	06/24/19
LGAC	2008B-BV	49,730,000	JPMorgan Chase Bank	SBPA	55	06/24/19
LGAC	2003A-8V	40,885,000	JPMorgan Chase Bank	SBPA	55	07/16/19
TOTAL		<u>\$1,799,515,000</u>				

DA	Dormitory Authority
CUNY	City University of New York
ESDC	Empire State Development Corporation
HFA	Housing Finance Agency
LGAC	Local Government Assistance Corporation
LOC	Letter of Credit
MH	Mental Health
PIT	Personal Income Tax
SBPA	Standby Bond Purchase Agreement
SERV	Service Contract Bonds