14 AUG 2026

Fitch Rates NYC Transitional Finance Auth $1.9B Fiscal 2027 Ser B Bonds 'AAA'; Outlook Stable

Fitch Ratings - New York - 14 Aug 2026: Fitch Ratings has assigned a 'AAA' rating to the following New York City Transitional Finance Authority's (TFA) future tax secured (FTS) subordinate bonds:

--$1,500,000,000 fiscal 2027 subseries B-1 (tax-exempt);

--$415,000,000 fiscal 2027 subseries B-2 (taxable).

The subseries B-1 bonds will sell via negotiation on Aug. 18 and 19. The subseries B-2 bonds will be sold competitively on Aug. 19. Proceeds will be used for general capital purposes.

Fitch rates the TFA's outstanding subordinate lien FTS bonds 'AAA'.

The Rating Outlook is Stable.

The 'AAA' rating reflects very strong coverage of annual debt service from fiscal 2025 pledged revenue of 7.6x. Resilience would remain strong even if TFA leveraged the pledged revenue up to 3.0x coverage (its legally permitted amount). However, Fitch expects issuance to remain well below that level because excess revenue flows to the city for general operations.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/ Downgrade

A sustained decline in pledged revenues that is more severe and prolonged than anticipated, combined with a significant increase in leverage resulting in maximum annual debt service (MADS) coverage levels below 3.0x.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Positive rating factors are not applicable as the bonds are already rated at Fitch's highest rating level.

Dedicated Tax And Revenue Bond Security

The bonds are payable from a subordinate lien on revenue derived from a personal income tax (PIT) and a sales and use tax (SUT; collectively, the pledged revenues) imposed by New York City, as authorized by New York State. Payment of the PIT and SUT revenue to the TFA is not subject to city or state appropriation.

SUT revenue will be available for the payment of debt service if PIT revenue is projected to provide less than at least 150% of MADS for the TFA's outstanding bonds.

The subordinate additional bonds test (ABT) requires pledged revenues for the most recent fiscal year to equal at least 3.0x the sum of $1.32 billion (covenanted MADS for senior lien bonds), plus projected maximum annual subordinate debt service, including debt service on the bonds to be issued. For the ABT, debt service on variable-rate bonds is assumed at the maximum rate. TFA has no senior lien obligations outstanding.

Dedicated Tax And Revenue Bond Key Rating Drivers

Revenue Risk - 'aa'

Fitch assesses the revenue type at 'aa', reflecting the breadth of the PIT and SUT revenue base, notwithstanding the presence of financial activities that account for 25% of earnings in the city, compared with 10% in the U.S. based on 2024 data. Fitch assesses revenue sensitivity at 'a', reflecting historical declines in pledged revenues and PIT exposure to financial activities. Fitch assesses revenue growth at 'aa' because pledged revenues benefit from the city's unique economic profile.

Pledged revenues reached record levels in fiscal 2025 and are projected to do so again in fiscal 2026 (up 10.5% yoy), supported by strong personal income performance from financial activities. Fitch expects future growth to moderate but remain solid between long-term inflation and U.S. GDP growth rates.

Resilience - 'aaa'

High debt service coverage from growing pledged revenues supports very strong resilience to economic changes and downturns. Strong legal and practical protection against overleveraging also supports 'aaa' resilience. Fitch applied a 10% stress to the 3.0x ABT to inform the resilience assessment. Coverage exceeds the 2.5x minimum stressed MADS coverage for a 'aaa' assessment.

Fitch believes issuance to the 3.0x ABT is highly unlikely, given the city's debt issuance plans for pledged revenues, compliance with city debt policies and reliance on residual revenue for operations after payment of TFA debt service. Fitch assumes the city would delay future borrowing if pledged revenues fell well short of management's expectations, preserving enough residual revenues to fund city operating expenses.

Exposure To Related Government Operations

The very strong legal structure insulates bondholders from New York City's (Issuer Default Rating [IDR] AA/Negative) operating risk.

The bankruptcy-remote, statutorily defined nature of the issuer pursuant to state legislation and a bond structure involving a first-perfected security interest in the PIT and SUT revenue are key credit strengths. Payment of the PIT and SUT revenue to the TFA is not subject to city or state appropriation. Statutory covenants prohibit action that would impair bondholders.

As a true sale structure, TFA's rating is limited to six notches above New York City's IDR of 'AA'/Negative.

PROFILE

New York City serves as an international center for numerous industries and institutions and is a major tourism destination. The city's economic profile features high wealth levels, and the local economy remains strongly linked to the financial sector.

Date of Relevant Committee

21 May 2026

Sources of Information

In addition to sources of information identified in Fitch's applicable criteria specified below, this action was informed by data from DIVER by Solve.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

ESG Considerations

Fitch does not provide ESG relevance scores for New York City Transitional Finance Authority (NY).

In cases where Fitch does not provide ESG relevance scores in connection with the credit rating of a transaction, program, instrument or issuer, Fitch will disclose any ESG factor that is a key rating driver in the key rating drivers section of the relevant rating action commentary. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products

Fitch Ratings Analysts

Kevin Dolan
Director
Primary Rating Analyst
+1 212 908 0538
Fitch Ratings, Inc. Hearst Tower 300 W. 57th Street New York, NY 10019

Arthur Tildesley III, CFA
Director
Secondary Rating Analyst
+1 646 582 4749

Karen Ribble
Senior Director
Committee Chairperson

+1 415 732 5611

Media Contacts

Katherine Jones
New York
+1 212 908 0823
katherine.jones@thefitchgroup.com

Rating Actions

ENTITY/DEBT	RATING			RECOVERY	PRIOR
New York City Transitional Finance Authority (NY)					
• New York City Transitional Finance Authority (NY) /NYC TFA Future Tax Secured - Subordinated/ 2 LT	LT	AAA	Affirmed		AAA

RATINGS KEY	OUTLOOK	WATCH
POSITIVE		
NEGATIVE		

RATINGS KEY	OUTLOOK	WATCH
EVOLVING	◇	◆
STABLE	○	

Applicable Criteria

U.S. Public Finance Dedicated Tax and Revenue Bond Rating Criteria (pub.01 May 2026)

U.S. Public Finance Local Government Rating Criteria (pub.01 May 2026) (including rating assumption sensitivity)

Additional Disclosures

Solicitation Status

Endorsement Status

New York City Transitional Finance Authority (NY)	EU Endorsed, UK Endorsed

DISCLAIMER & DISCLOSURES

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see Best- and Worst-Case Measures under the Rating Performance page on Fitch’s website.

The information in this report is provided “as is” without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the “NRSRO”). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the “non-NRSROs”) and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Endorsement policy

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU Regulation or the UK Regulation, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's Regulatory Affairs page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.