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STATE COMPTROLLER



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STATE OF NEW YORK
OFFICE OF THE STATE COMPTROLLER

September 12, 2023

**Re: Offer to Purchase Bonds
State of New York
General Obligation Bonds,
Series 2021B Taxable Bonds**

Dear Bondholder,

The State of New York (the “**State**”) appreciates your investment in one or more of its General Obligation Bonds as listed in Appendix A to this letter (the “**Target Bonds**”).

You are receiving this letter as a beneficial owner of one or more of the Target Bonds because *the State is inviting offers for the purchase of your Target Bonds*. The invitation is further described in the “Invitation to Offer Bonds for Purchase” dated September 12, 2023 (the “**Invitation**”) and is subject solely to the terms and conditions in the Invitation. Capitalized terms used herein and not otherwise defined have the meanings given to them in the Invitation. *Please see below for directions regarding how to access the Invitation and related documents via the web.*

How Does the Offer Process Work?

In the Invitation, the State has invited each Bondholder to offer to sell to the State (an “**Offer**”), for payment in cash, all or part of its beneficial ownership interests in the Target Bonds. The State will determine the Offers to be purchased by a “**Modified Dutch Auction Procedure**” as described in the Invitation. If the State determines to purchase any Target Bonds of a CUSIP Number, the single purchase price (“**Purchase Price**”) at which all Target Bonds of a CUSIP Number will be purchased will be based on a single spread (the “**Purchase Spread**”), representing the spread that will be added to the “**Adjusted Treasury Yield**” (as further defined in the Invitation) on the applicable benchmark United States Treasury Security (the applicable “**Benchmark Treasury Security**”) to arrive at a yield used to calculate the Purchase Price for the Target Bonds of each CUSIP Number. The yields on the applicable Benchmark Treasury Securities will be determined on September 28, 2023.

How Can Bondholders Participate?

Should you choose to participate, Offers can be submitted using one of the following two methods:

- ❖ **Offers of Target Bonds at an Offer Spread.** You may Offer to sell all or a portion of the Target Bonds of each CUSIP Number to the State at a spread (the “**Offer Spread**”) to be added to the Adjusted Treasury Yield of the Benchmark Treasury Security corresponding to such CUSIP

Number, as seen in Appendix A. At the conclusion of the offer, the State will set the Purchase Spread at which it intends to purchase Target Bonds of each maturity. If that Purchase Spread is equal to or below the Offer Spread that you submit, your Target Bonds may be purchased. In fact, if the State sets a Purchase Spread less than your offer, you would receive the benefit of the lower spread. Should the State's Purchase Spread be greater than your offer, your Target Bonds will not be purchased.

- ❖ **Non-Competitive Offer**. Alternatively, you may make an offer to sell all or a portion of your Target Bonds of a particular CUSIP Number in a par amount of your choosing by offering such Target Bonds without specifying an Offer Spread (a “**Non-Competitive Offer**”). Bondholders whose Target Bonds are offered without a specified Offer Spread will receive the same spread (and price) paid to all other Bondholders whose offers are accepted for such CUSIP Number, subject to the terms of the Invitation.

Based on market conditions as of September 8, 2023, the State expects to accept all offers up to the Maximum Principal Amounts with Offer Spreads at or above the Offer Spread Guidance as shown in Appendix A (the “Offer Spread Guidance”). The State will review all Offers and may, in its sole discretion, determine a Purchase Spread for each CUSIP Number which is higher, lower or equal to the Offer Spread Guidance.

For reference, we have included in the attached Appendix A illustrative prices (excluding any accrued interest, which will be added on the Settlement Date (as defined in the Invitation)) based on the Offer Spread Guidance relative to the yield on the Benchmark Treasury Securities as of the close of business on September 8, 2023.

Any of the Target Bonds which the State does not purchase pursuant to the Invitation will be returned and will remain payable and secured pursuant to their terms. The State may refund, or offer to purchase or exchange in the future, some or all of the Target Bonds which the State does not purchase pursuant to the Invitation.

If you wish to submit an Offer, you must do so by contacting your bank, broker or financial adviser. **Please forward your instructions in time to submit Offers prior to the Expiration Date (5:00 p.m., New York time, on Tuesday, September 26, 2023).**

This brief letter does not provide all of the information that you need to consider with respect to the Invitation. The State's invitation to offer Target Bonds for purchase is only being made pursuant to the Invitation. *Bondholders are urged to carefully read the Invitation in its entirety because it contains information, including the various terms and conditions that Bondholders should consider before making any decision regarding tendering their Target Bonds.*

Where to Find More Information?

The Invitation is available electronically on the website of the Information and Tender Agent at www.globic.com/nysgo, as well as the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP Numbers for the Target Bonds. Upon the expiration of the Invitation, the State will post notices including the Preliminary Notice of Acceptance, and the Final Notice of Acceptance on these same websites.

Institutional investors with questions about the Invitation should contact the Dealer Managers at:

BofA Securities, Inc.

Attn: Municipal Liability Management Group
Tel: (646) 743-1362 E-Mail: dg.muni-lm@bofa.com

Loop Capital Markets LLC

Attn: Municipal Syndicate Desk
Tel: (212) 619-3045 E-Mail: Muni.syndicate@loopcapital.com

Individual investors and their brokers, account executives, financial advisors and/or other appropriate professionals with questions about the Invitation should contact the Information and Tender Agent at:

Globic Advisors Inc.

Attention: Robert Stevens
Tel: (212) 227-9622 E-Mail: rstevens@globic.com

Please note that the State retains the right to amend, extend, or terminate the Invitation in the manner described in the Invitation.

Thank you for taking time to consider the Invitation.

THE STATE OF NEW YORK

Appendix A

Target Bonds Offered for Purchase Solicited by Modified Dutch Auction Procedures Based Upon Offer Spreads¹

State of New York General Obligation Bonds, Series 2021B Taxable Bonds Base CUSIP Number: 649791

Maturity Date (March 15) ²	CUSIP Number Suffix ³	Interest Rate	Principal Amount Outstanding	Maximum Principal Amount that may be Accepted for Purchase if Tendered	Benchmark Treasury Security ⁴	Benchmark Treasury Yield as of COB on September 8, 2023	Yield Adjustment to Benchmark Treasury Security in basis points ⁵	Offer Spread Guidance in basis points ⁶	Illustrative Purchase Yield/Price Resulting from Offer Spread Guidance ⁷
2024	QZ6	0.53%	\$33,850,000	\$20,310,000	2-Year	4.995%	-100.0 bps	+130.0 bps	5.295% / 98.005
2025	RA0	0.91%	\$32,940,000	\$19,760,000	2-Year	4.995%	-100.0 bps	+87.5 bps	4.870% / 94.600
2026	RB8	1.50%	\$33,240,000	\$19,940,000	3-Year	4.703%	-100.0 bps	+85.0 bps	4.553% / 93.056
2027	RC6	1.25%	\$44,150,000	\$26,490,000	5-Year	4.405%	-100.0 bps	+100.0 bps	4.405% / 90.062
2028	RD4	1.45%	\$44,700,000	\$26,820,000	5-Year	4.405%	-100.0 bps	+97.5 bps	4.380% / 88.321
2029	RE2	1.74%	\$44,945,000	\$26,965,000	7-Year	4.364%	-100.0 bps	+105.0 bps	4.414% / 87.217
2030	RF9	1.84%	\$45,720,000	\$27,430,000	7-Year	4.364%	-100.0 bps	+107.5 bps	4.439% / 85.602
2031	RG7	1.94%	\$39,865,000	\$23,915,000	10-Year	4.270%	-100.0 bps	+117.5 bps	4.445% / 84.298
2032	RH5	2.05%	\$32,215,000	\$19,325,000	10-Year	4.270%	-100.0 bps	+120.0 bps	4.470% / 83.159
2033	RJ1	2.10%	\$25,840,000	\$15,500,000	10-Year	4.270%	-100.0 bps	+122.5 bps	4.495% / 81.757
2034	RK8	2.25%	\$14,880,000	\$ 8,925,000	10-Year	4.270%	+0.0 bps	+27.5 bps	4.545% / 81.105
2035	RL6	2.35%	\$15,210,000	\$ 9,125,000	10-Year	4.270%	+0.0 bps	+32.5 bps	4.595% / 80.211
2036	RM4	2.38%	\$15,570,000	\$ 9,340,000	10-Year	4.270%	+0.0 bps	+40.0 bps	4.670% / 78.590
2037	RN2	2.43%	\$15,940,000	\$ 9,560,000	10-Year	4.270%	+0.0 bps	+45.0 bps	4.720% / 77.413
2038	RP7	2.53%	\$16,330,000	\$ 9,795,000	10-Year	4.270%	+0.0 bps	+50.0 bps	4.770% / 76.825
2039	RQ5	2.58%	\$ 9,370,000	\$ 5,620,000	30-Year	4.343%	+0.0 bps	+50.0 bps	4.843% / 75.603
2040	RR3	2.63%	\$ 9,610,000	\$ 5,765,000	30-Year	4.343%	+0.0 bps	+55.0 bps	4.893% / 74.651
2041	RS1	2.68%	\$ 9,865,000	\$ 5,915,000	30-Year	4.343%	+0.0 bps	+60.0 bps	4.943% / 73.764
2042	RT9	2.73%	\$10,125,000	\$ 6,075,000	30-Year	4.343%	+0.0 bps	+65.0 bps	4.993% / 72.940

Benchmark Treasury Securities⁴

2-Year	UST 5.000% due 08/31/2025 CUSIP:91282CHV6
3-Year	UST 4.375% due 08/15/2026 CUSIP:91282CHU8
5-Year	UST 4.375% due 08/31/2028 CUSIP:91282CHX2
7-Year	UST 4.125% due 08/31/2030 CUSIP:91282CHW4
10-Year	UST 3.875% due 08/15/2033 CUSIP:91282CHT1
30-Year	UST 3.625% due 05/15/2053 CUSIP:912810TR9

¹ A Bondholder may make an Offer to sell Target Bonds of a CUSIP Number in an amount of its' choosing up to the principal amount of Target Bonds owned by the Bondholder expressed as the principal amount of such Target Bonds (in Authorized Denominations) and the Offer Spread to be added to the yield on the relevant yield-adjusted Benchmark Treasury Security used in establishing the Purchase Price for such Target Bonds. An Offer Spread must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread containing more than one number to the right of the decimal point will be truncated to one number, without rounding. See "TERMS OF THIS INVITATION – Offers of Target Bonds at an Offer Spread" in the Invitation.

² The Target Bonds are subject to optional redemption (i) at a "Make-Whole Redemption Price" prior to March 15, 2031 and (ii) on or after March 15, 2031, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, as described in the official statement for the Target Bonds.

³ CUSIP is a registered trademark of the American Bankers Association. CUSIP Number information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP Numbers are provided for convenience of reference only. None of the State, the Dealer Managers, or the Information and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

⁴ The yields on the Benchmark Treasury Securities to be used in establishing the Purchase Prices for the Target Bonds will be based on the bid-side price of the U.S. Benchmark Treasuries as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 10:00 a.m., Eastern time, on September 28, 2023. See "TERMS OF THIS INVITATION – Determination of the Purchase Spread" in the Invitation.

⁵ In order to accommodate Bondholders who desire to submit an offer of 0.0 bps or an offer at a negative spread to the Benchmark Treasury Security that would result in such Target Bonds being effectively offered at or below the yield of the relevant Benchmark Treasury Security, a Bondholder's Offer Spread will be added to the relevant Adjusted Treasury Yield.

⁶ The Offer Spread Guidance is provided solely for the purpose of assisting Bondholders in formulating offers for their Target Bonds.

⁷ Illustrative Price excludes accrued but unpaid interest and is based on yields for Benchmark Treasury Securities as of the close of business on September 8, 2023. The Illustrative Price is provided for informational purposes only. The Purchase Price of a CUSIP Number will be determined based on numerous factors described in the Invitation. Bondholders are not permitted to submit offers based on a specific price. Illustrative Price Resulting from Offer Spread Guidance in \$ per \$100 principal amount.