



\$241,745,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Refunding Green Bonds,
Series 2019D
(Climate Bond Certified)



consisting of

<p>\$140,320,000 Transportation Revenue Refunding Green Bonds, Subseries 2019D-1 (Mandatory Tender Bonds)</p>	<p>\$101,425,000 Transportation Revenue Refunding Green Bonds, Subseries 2019D-2 (Federally Taxable)</p>
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DATED: Date of Delivery

DUE: November 15, as shown on the inside cover page

The Metropolitan Transportation Authority's (MTA) Transportation Revenue Refunding Green Bonds, Series 2019D (Climate Bond Certified) consisting of Subseries 2019D-1 (Mandatory Tender Bonds) (the Subseries 2019D-1 Bonds) and Subseries 2019D-2 (Federally Taxable) (the Subseries 2019D-2 Bonds and, together with the Subseries 2019D-1 Bonds, the Series 2019D Bonds) are being issued to (i) refund certain outstanding Transportation Revenue Bonds, and (ii) pay certain financing, legal and miscellaneous expenses. See "APPLICATION OF PROCEEDS" herein.

The Series 2019D Bonds—

- are MTA's special, not general, obligations, payable solely from the revenues of the transit and commuter systems and other sources pledged to Owners as described in this official statement, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA has no taxing power.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Subseries 2019D-1 Bonds is:

- *excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and*
- *not a specific preference item for an Owner in calculating the federal alternative minimum tax.*

Interest on the Subseries 2019D-2 Bonds is not excluded from gross income for federal income tax purposes.

Also in Co-Bond Counsel's opinion, under existing law, interest on the Series 2019D Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS RELATING TO THE SUBSERIES 2019D-1 BONDS" and "TAX MATTERS RELATING TO THE SUBSERIES 2019D-2 BONDS" herein for a discussion of certain federal and State income tax matters.

The Series 2019D Bonds will bear interest at the rates shown on the inside cover page hereof.

The Subseries 2019D-1 Bonds are being issued as Mandatory Tender Bonds and will bear interest at the Term Rate from their date of delivery as set forth on the inside cover page hereof. The Subseries 2019D-1 Bonds are subject to mandatory tender for purchase on their Mandatory Purchase Date. MTA reserves the right to convert any of the Subseries 2019D-1 Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode, and, in connection therewith, to change the principal amount of the Subseries 2019D-1 Bonds. Such right shall not occur prior to the Mandatory Purchase Date. This official statement is not intended to describe the Subseries 2019D-1 Bonds from and after the Mandatory Purchase Date.

The Subseries 2019D-1 Bonds are not subject to redemption prior to the Mandatory Purchase Date. The Subseries 2019D-2 Bonds are subject to redemption prior to maturity as described herein.

The Series 2019D Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company on or about November 7, 2019.

The scheduled payment of principal of and interest on the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048, as shown on the inside cover page hereof, when due, will be guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. concurrently with the issuance of the Subseries 2019D-2 Bonds.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2019D Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

\$241,745,000
Metropolitan Transportation Authority
Transportation Revenue Refunding Green Bonds,
Series 2019D
(Climate Bond Certified)

consisting of

\$140,320,000
Subseries 2019D-1
(Mandatory Tender Bonds)
Maturing November 15, 2034

Mandatory Purchase Date	Interest Rate	Yield	CUSIP Number* (59261A)
November 15, 2024	5.00%	1.65%	B48

\$101,425,000
Subseries 2019D-2
(Federally Taxable)

Maturity (November 15)	Principal Amount	Interest Rate	Yield or Price	CUSIP Number* (59261A)
2046 [†]	\$32,640,000	3.50%	3.52%	B55
2047	33,785,000	3.60	100.00	B63
2048 [†]	35,000,000	3.54	100.00	B71

The Subseries 2019D-1 Bonds are not subject to redemption prior to their Mandatory Purchase Date, as described under the caption “DESCRIPTION OF SUBSERIES 2019D-1 BONDS – Tender and Redemption Provisions” in **Part I**. The Subseries 2019D-2 Bonds are subject to redemption prior to maturity, as described under the caption “DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Redemption Prior to Maturity” in **Part I**. The following summarizes the optional redemption provisions: prior to November 15, 2029, the Subseries 2019D-2 Bonds are subject to make-whole redemption at the option of MTA, in whole or in part, as described herein, and are subject to redemption prior to maturity on any date on and after November 15, 2029, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Series 2019D Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2019D Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019D Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2019D Bonds.

[†] Insured by Assured Guaranty Municipal Corp.

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New York, New York 10004
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Website: www.mta.info

Patrick J. Foye Chair and Chief Executive Officer
Andrew B. Albert..... Non-Voting Member
Norman E. Brown..... Non-Voting Member
Sarah E. Feinberg.....Member
Randolph F. Glucksman Non-Voting Member
Rhonda HermanMember
David R. JonesMember
Linda A. Lacewell.....Member
Kevin LawMember
Robert W. LinnMember
David S. MackMember
Susan G. Metzger.....Member
Haeda B. MihaltsesMember
Robert F. Mujica, Jr.Member
John Samuelsen..... Non-Voting Member
Lawrence S. Schwartz.....Member
Vincent Tessitore, Jr. Non-Voting Member
Veronica Vanterpool.....Member
Neal Zuckerman.....Member

Veronique Hakim..... Managing Director
John N. Lieber Chief Development Officer
Robert E. Foran..... Chief Financial Officer
Helene Fromm Chief of Staff
Thomas J. Quigley General Counsel
Patrick J. McCoy..... Director, Finance

NIXON PEABODY LLP D. SEATON AND ASSOCIATES, P.A., P.C.
New York, New York New York, New York
Co-Bond Counsel

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New York, New York San Francisco, California
Co-Financial Advisors

HAWKINS DELAFIELD & WOOD LLP
New York, New York
Special Disclosure Counsel

SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2019D Bonds. The information in this official statement, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2019D Bonds being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.																							
Bonds Being Offered.....	Transportation Revenue Refunding Green Bonds, Series 2019D (Climate Bond Certified) consisting of Subseries 2019D-1 (Mandatory Tender Bonds) (the Subseries 2019D-1 Bonds) and Subseries 2019D-2 (Federally Taxable) (the Subseries 2019D-2 Bonds and, together with the Subseries 2019D-1 Bonds, the Series 2019D Bonds).																							
Purpose of Issue	The Series 2019D Bonds are being issued to (i) refund certain outstanding Transportation Revenue Bonds, and (ii) pay certain financing, legal and miscellaneous expenses. See “APPLICATION OF PROCEEDS” in Part I .																							
Maturities and Rates.....	The Series 2019D Bonds mature on the dates and bear interest at the rates shown on the inside cover page of this official statement.																							
Denominations	Denominations of \$5,000 or any integral multiple thereof.																							
Interest Payment Dates.....	Interest on the Series 2019D Bonds shall be paid semiannually on May 15 and November 15, commencing May 15, 2020.																							
Redemption	See “DESCRIPTION OF SUBSERIES 2019D-1 BONDS – Tender and Redemption Provisions” and “DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Redemption Prior to Maturity” in Part I .																							
Sources of Payment and Security	MTA’s pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in Part II .																							
Credit Enhancement	The scheduled payment of principal of and interest on the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048, as shown on the inside cover hereof, when due, will be guaranteed under an insurance policy issued by Assured Guaranty Municipal Corp. (AGM) concurrently with the issuance of the Subseries 2019D-2 Bonds (the Policy). See “DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Bond Insurance” in Part I and Attachment 5 – “Information Relating to Assured Guaranty Municipal Corp. and Form of Bond Insurance Policy.”																							
Registration of the Bonds.....	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.																							
Trustee and Tender Agent	The Bank of New York Mellon, New York, New York.																							
Co-Bond Counsel	Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York.																							
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.																							
Tax Status.....	See “TAX MATTERS RELATING TO THE SUBSERIES 2019D-1 BONDS” and “TAX MATTERS RELATING TO THE SUBSERIES 2019D-2 BONDS” in Part III .																							
Ratings.....	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Rating Agency</u></th> <th style="text-align: left;"><u>Underlying Rating</u></th> <th style="text-align: left;"><u>Applicable Criteria/Methodology</u></th> <th style="text-align: left;"><u>Insured Rating*</u></th> </tr> </thead> <tbody> <tr> <td>Fitch:</td> <td>AA-</td> <td>Public-Sector, Revenue-Supported Debt</td> <td>Not Rated</td> </tr> <tr> <td>KBRA:</td> <td>AA+</td> <td>U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating</td> <td>AA+</td> </tr> <tr> <td>Moody’s:</td> <td>A1</td> <td>Mass Transit Enterprises</td> <td>A1[†]</td> </tr> <tr> <td>S&P:</td> <td>A</td> <td>Mass Transit Enterprise Ratings</td> <td>AA[‡]</td> </tr> </tbody> </table> <p style="text-align: center;">See “RATINGS” in Part III.</p>				<u>Rating Agency</u>	<u>Underlying Rating</u>	<u>Applicable Criteria/Methodology</u>	<u>Insured Rating*</u>	Fitch:	AA-	Public-Sector, Revenue-Supported Debt	Not Rated	KBRA:	AA+	U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating	AA+	Moody’s:	A1	Mass Transit Enterprises	A1 [†]	S&P:	A	Mass Transit Enterprise Ratings	AA [‡]
<u>Rating Agency</u>	<u>Underlying Rating</u>	<u>Applicable Criteria/Methodology</u>	<u>Insured Rating*</u>																					
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Moody’s:	A1	Mass Transit Enterprises	A1 [†]																					
S&P:	A	Mass Transit Enterprise Ratings	AA [‡]																					
Co-Financial Advisors.....	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.																							
Purchase Price	See “UNDERWRITING” in Part III .																							

* Applicable only to Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048, as shown on the inside cover hereof.

[†] Rating is based on the higher of AGM’s and the Subseries 2019D-2 Bonds underlying ratings, in this case the Subseries 2019D-2 Bonds underlying rating. AGM is rated A2 by Moody’s.

[‡] Rating is based on the higher of AGM’s and the Subseries 2019D-2 Bonds underlying ratings, in this case AGM, which is rated AA by S&P.

**SUMMARY OF TERMS RELATING TO
SUBSERIES 2019D-1 BONDS ***

INTEREST PAYMENT DATES AND CALCULATION PERIOD THROUGH PURCHASE DATE	Each May 15 and November 15, commencing May 15, 2020, calculated based on a 360-day year comprised of twelve 30-day months.
RECORD DATE	The May 1 or November 1 immediately preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER PRIOR TO PURCHASE DATE	None.
MANDATORY TENDER FOR PURCHASE	<ul style="list-style-type: none"> • The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2019D-1 Bonds is November 15, 2024. • The Subseries 2019D-1 Bonds are not subject to mandatory tender for purchase prior to their Purchase Date.
RATE UPON FAILURE TO PAY PURCHASE PRICE	9%

* So long as the Subseries 2019D-1 Bonds are registered in the name of Cede & Co., as Owner and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

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- ***No Unauthorized Offer.*** This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2019D Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Series 2019D Bonds, except as set forth in this official statement. No other information or representations should be relied upon.
 - ***No Contract or Investment Advice.*** This official statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this official statement, the Series 2019D Bonds being offered, and anything else related to this bond issue.
 - ***Information Subject to Change.*** Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this official statement shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this official statement.
 - ***Forward-Looking Statements.*** Many statements contained in this official statement, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this official statement. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this official statement. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this official statement, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this official statement.
 - ***Projections.*** The projections set forth in this official statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this official statement are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this official statement, which is solely the product of MTA and its other affiliates and subsidiaries as of the date of this official statement, and the independent auditors assume no responsibility for its content.
 - ***Independent Auditor.*** Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included by specific cross-reference in this official statement. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this official statement. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of MTA for the six-month period ended June 30, 2019. As indicated in the review report which accompanies MTA's consolidated interim financial information, because Deloitte & Touche LLP did not perform an audit, Deloitte & Touche LLP expresses no opinion on that information. The consolidated interim financial information of MTA for the six-

month period ended June 30, 2019 (except for the auditor's review report accompanying the consolidated interim financial information) is included in this official statement by specific cross-reference. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this official statement, since the date of such review report which is not included by reference herein.

- ***Climate Bonds Initiative.*** The Climate Bonds Initiative has provided the following paragraphs for inclusion in this official statement: The certification of the Series 2019D Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard 2.0 and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2019D Bonds or any projects financed by the Series 2019D Bonds, including but not limited to this official statement or MTA.

The certification of the Series 2019D Bonds as Climate Bonds by the Climate Bonds Initiative is not a recommendation to any person to purchase, hold or sell the Series 2019D Bonds and such certification does not address the market price or suitability of the Series 2019D Bonds for a particular investor. The certification also does not address the merits of the decision by MTA or any third party to participate in this transaction and does not express, and should not be deemed to be an expression of, an opinion as to MTA or any aspect of any projects financed by the Series 2019D Bonds (including but not limited to the financial viability of any projects financed by the Series 2019D Bonds) other than with respect to compliance with the Climate Bonds Standard.

In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any projects financed by the Series 2019D Bonds or of MTA. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any projects financed by the Series 2019D Bonds. The certification may only be used in connection with the Series 2019D Bonds, including as provided in this official statement, and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

The certification does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due on the Series 2019D Bonds. In the event MTA does not comply with Climate Bonds Initiative's required procedures for Climate Bonds, Climate Bonds Initiative, in its sole and absolute discretion, may withdraw its Climate Bond certification of the Series 2019D Bonds at any time, and there can be no assurance that such certification may not be withdrawn.

- ***Bond Insurance Information.*** Assured Guaranty Municipal Corp. (AGM) makes no representation regarding the Subseries 2019D-2 Bonds or the advisability of investing in the Subseries 2019D-2 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this official statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Bond Insurance" in Part I and Attachment 5 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Bond Insurance Policy."

MTA has not made an independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of MTA to pay principal and interest on the Subseries 2019D-2 Bonds and the claims paying ability of AGM (with respect to the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048), particularly over the life of the investment. For certain information provided by AGM and information concerning the Policy, which includes further instructions for obtaining current financial information concerning AGM, see "DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Bond Insurance" in Part I and Attachment 5 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Bond Insurance Policy."

- ***Website Addresses.*** References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this official statement for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.

TABLE OF CONTENTS

	<u>Page</u>
SUMMARY OF TERMS	ii
INTRODUCTION	1
MTA, MTA Bridges and Tunnels and Other Related Entities.....	1
Information Provided in the MTA Annual Disclosure Statement.....	2
Where to Find Information	2
PART I. SERIES 2019D BONDS	3
APPLICATION OF PROCEEDS.....	3
Climate Bond Certified.....	3
DESCRIPTION OF SUBSERIES 2019D-1 BONDS.....	4
Tender and Redemption Provisions	5
Future Remarketing of Subseries 2019D-1 Bonds.....	6
Source of Funds for Purchase of Subseries 2019D-1 Bonds.....	6
Delivery of Remarketed Subseries 2019D-1 Bonds	7
Delivery and Payment for Purchased Subseries 2019D-1 Bonds; Undelivered Subseries 2019D-1 Bonds	7
Consequences of a Failed Remarketing	7
DESCRIPTION OF SUBSERIES 2019D-2 BONDS.....	8
General.....	8
Redemption Prior to Maturity.....	9
Bond Insurance	10
DEBT SERVICE ON THE BONDS	10
PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS	12
SOURCES OF PAYMENT	12
Pledged Transportation Revenues Gross Lien	12
Description of Pledged Revenues	19
Factors Affecting Revenues.....	24
SECURITY.....	26
General.....	26
Pledge Effected by the Resolution	27
Flow of Revenues	27
Covenants	30
Parity Debt.....	31
PART III. OTHER INFORMATION ABOUT THE SERIES 2019D BONDS	32
TAX MATTERS RELATING TO THE SUBSERIES 2019D-1 BONDS	32
General.....	32
The Subseries 2019D-1 Bonds.....	32
Bond Premium	33
Information Reporting and Backup Withholding	33
Miscellaneous	33
TAX MATTERS RELATING TO THE SUBSERIES 2019D-2 BONDS	33
Federal Income Tax	33
CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS	40
LEGALITY FOR INVESTMENT	42
LITIGATION	42
CO-FINANCIAL ADVISORS.....	43
UNDERWRITING	43
RATINGS.....	43
LEGAL MATTERS	44
CONTINUING DISCLOSURE.....	44
FURTHER INFORMATION	46

- Attachment 1** – Book-Entry-Only System
- Attachment 2** – Continuing Disclosure Under Rule 15c2-12
- Attachment 3** – Form of Approving Opinions of Co-Bond Counsel
- Attachment 4** – Bonds to be Refunded
- Attachment 5** – Information Relating to Assured Guaranty Municipal Corp. and Form of Bond Insurance Policy

Information Included by Specific Cross-reference. The following portions of MTA’s 2019 Combined Continuing Disclosure Filings, dated April 30, 2019, as supplemented on June 26, 2019 and on October 3, 2019, and as updated by a First Quarterly Update, dated August 2, 2019, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this official statement, along with material that updates this official statement and that is filed with EMMA prior to the delivery date of the Series 2019D Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017 (including the auditor’s report accompanying the annual financial information)

The following documents have also been filed with EMMA and are included by specific cross-reference in this official statement:

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA’s Unaudited Consolidated Interim Financial Statements as of and for the Six-Month Period Ended June 30, 2019 (excluding the auditor’s review report accompanying the interim financial information)

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption “MTA Info–Financial Information–Budget and Financial Statements” in the case of MTA’s Unaudited Consolidated Interim Financial Statements as of and for the Six-Month Period Ended June 30, 2019 and “MTA Info–Financial Information–Investor Information” in the case of the remaining documents, including the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2018 and 2017. No statement on MTA’s website is included by specific cross-reference herein. See “FURTHER INFORMATION” in **Part III**. Definitions of certain terms used in the summaries may differ from terms used in this official statement, such as the use herein of the popular names of the MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2018 and 2017, incorporated by specific cross-reference in this official statement, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA’s consolidated financial statements for the years ended December 31, 2018 and 2017, which is a matter of public record, is included in such consolidated financial statements. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this official statement. The consolidated interim financial information for the six-month period ended June 30, 2019 (except for the auditor’s review report accompanying the consolidated interim financial information), has also been incorporated by specific cross-reference in this official statement. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this official statement, since the date of such review report, which is not included by reference herein.

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INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State (the State) legislation in 1965, as a public benefit corporation, which means that it is a corporate entity separate and apart from the State, without any power of taxation – frequently called a “public authority.” MTA is governed by board members appointed by the Governor, with the advice and consent of the State Senate.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA’s service region (the MTA Commuter Transportation District or MCTD), which consists of New York City (the City) and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out some of those responsibilities by operating the Transit and Commuter Systems through its subsidiary and affiliate entities: the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and the MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and is empowered to issue debt obligations to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of MTA. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds to finance capital projects for the benefit of the Transit and Commuter Systems, and currently has no plans to do so in the future. MTA Bridges and Tunnels’ surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA’s affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA’s 2019 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this official statement.

The following table sets forth the legal and popular names of the Related Entities. Throughout this official statement, reference to each agency will be made using the popular names.

<u>Legal Name</u>	<u>Popular Name</u>
Metropolitan Transportation Authority	MTA
New York City Transit Authority	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	MTA Metro-North Railroad
MTA Capital Construction Company	MTA Capital Construction
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering memorandums for information regarding the Related Entities and their financial condition.

Where to Find Information

Information in this Official Statement. This official statement is organized as follows:

- This **Introduction** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- **Part I** provides specific information about the Series 2019D Bonds.
- **Part II** describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2019D Bonds.
- **Part III** provides miscellaneous information relating to the Series 2019D Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2019D Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2019D Bonds.
- **Attachment 3-1** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Subseries 2019D-1 Bonds.
- **Attachment 3-2** is the form of approving opinions of Co-Bond Counsel in connection with the issuance of the Subseries 2019D-2 Bonds.
- **Attachment 4** sets forth a list of the Bonds to be refunded.
- **Attachment 5** sets forth certain information relating to Assured Guaranty Municipal Corp. (AGM) and includes the form of its specimen municipal bond insurance policy related to the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048.

Information Included by Specific Cross-reference in this official statement and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

Information from the MSRB through EMMA. MTA files annual and other information with EMMA. Such information can be accessed at <http://emma.msrb.org/>.

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this official statement. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this official statement. **This official statement, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2019D Bonds.**

Information Available at No Cost. Information filed with the MSRB through EMMA is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at the address on page (i). For important information about MTA's website, see "FURTHER INFORMATION" in **Part III**.

PART I. SERIES 2019D BONDS

Part I of this official statement, together with the Summary of Terms, provides specific information about the Series 2019D Bonds.

APPLICATION OF PROCEEDS

MTA anticipates that the proceeds of the Subseries 2019D-1 Bonds (the principal amount thereof, plus original issue premium of \$22,566,262.40), together with other funds of MTA in the amount of \$3,625,186.67, in the total amount of \$166,511,449.07, will be used as follows: (i) \$165,678,800.00 to refund the outstanding Transportation Revenue Bonds set forth in **Attachment 4**, and (ii) \$832,649.07 to pay certain financing, legal and miscellaneous expenses.

MTA anticipates that the proceeds of the Subseries 2019D-2 Bonds (the principal amount thereof, less net original issue discount of \$113,587.20), together with other funds of MTA in the amount of \$2,388,888.89, in the total amount of \$103,700,301.69, will be used as follows: (i) \$102,500,000.00 to refund the outstanding Transportation Revenue Bonds set forth in **Attachment 4**, and (ii) \$1,200,301.69 to pay certain bond insurance and financing, legal and miscellaneous expenses.

Climate Bond Certified

The information set forth under this caption “Climate Bond Certified” concerning (1) the Climate Bonds Initiative (the Climate Bonds Initiative) and the process for obtaining Climate Bond Certification (the Climate Bond Certification), and (2) Sustainalytics (Sustainalytics) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and Sustainalytics, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by MTA or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bonds Standard, the Certification Process and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. This website is included for reference only and the information contained therein is not incorporated by reference in this official statement.

The terms “Climate Bond Certified” and “green bonds” are neither defined in, nor related to the Transportation Resolution, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2019D Bonds is entitled to any additional security other than as provided in the Transportation Resolution. MTA has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2019D Bonds.

Introduction. In early 2016, MTA requested, and the Climate Bonds Standard Board approved, the designation of MTA’s Transportation Revenue Bonds, Series 2016A Bonds as “Climate Bond Certified” pursuant to the Low Carbon Transport criteria (the Climate Criteria) under the Climate Bonds Standard 2.0. As part of the certification requirement, MTA engaged Sustainalytics as an independent verifier to review MTA’s 2010-2014 Capital Program to identify projects with expenditures that met the Climate Criteria. Sustainalytics reviewed \$12.6 billion of spending and concluded that projects totaling \$11.3 billion, or 89.7%, qualified under the Climate Criteria, making them eligible projects for Climate Bonds Initiative certification. The Climate Bonds Initiative and MTA agreed that while MTA’s pooled funding of its capital projects makes tracking proceeds to specific bond transactions prior to issuance impractical, the inherent benefit of MTA’s Transit and Commuter Systems and the ongoing support and maintenance of them are compatible with an emissions trajectory consistent with the principles underlying the Climate Criteria. Due to the size and complexity of MTA’s Capital Program and difficulty in tracking proceeds to specific projects, it is possible that MTA Climate Bonds Initiative certified bonds may fund or refund projects not specifically identified by the independent verifier but essential to MTA’s core mission. Additionally, some of these projects may have been funded by other pooled resources available for MTA’s Capital Programs. After an analysis of MTA’s Capital Program elements, the Climate Bonds Initiative agreed to certify any bonds issued by MTA for credits that fund the Transit and Commuter Systems portion of its Capital Programs up to a maximum of \$11.3 billion.

MTA expects to issue additional green bonds from time to time for approved transit and commuter capital program projects reviewed and approved by the Climate Bonds Standard Board.

The Climate Bonds Initiative and Climate Bond Certification. MTA has applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the Certification Process), for designation of the Series 2019D Bonds as “Climate Bond Certified.” The Certification Process is a voluntary verification initiative which allows MTA to demonstrate to the investor market, the users of MTA’s transit and commuter systems and other stakeholders that the Series 2019D Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The requirements of the Certification Process relating to the Series 2019D Bonds are separated into pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that MTA has established appropriate internal processes and controls prior to issuance of the Series 2019D Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the Series 2019D Bonds have been issued and bond proceeds are being expended.

The post-issuance requirements require annual certification of compliance.

DESCRIPTION OF SUBSERIES 2019D-1 BONDS

Multi-Modal Obligations. The Subseries 2019D-1 Bonds constitute Mandatory Tender Bonds and will bear interest at the Term Rate from their date of delivery as set forth on the inside cover page hereof. MTA reserves the right to convert any of the Subseries 2019D-1 Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode, and, in connection therewith, to change the principal amount of the Subseries 2019D-1 Bonds. Such right shall not occur prior to the Mandatory Purchase Date. This official statement is not intended to describe the Subseries 2019D-1 Bonds from and after the Mandatory Purchase Date.

Record Date. The Record Date for the payment of principal of, interest on and any Sinking Fund Installments with respect to the Subseries 2019D-1 Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Subseries 2019D-1 Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Subseries 2019D-1 Bonds. Individual purchases of the Subseries 2019D-1 Bonds will be made in book-entry-only form, in denominations of \$5,000 or any integral multiple thereof. So long as DTC is the registered owner of the Subseries 2019D-1 Bonds, all payments on the Subseries 2019D-1 Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – “Book-Entry-Only System.”

Maturity. The Subseries 2019D-1 Bonds shall mature and be payable as to principal and interest accrued from the dated date, as set forth on the inside cover page.

Interest Payments. The Subseries 2019D-1 Bonds mature on the date and in the principal amounts and will bear interest at the per annum rate shown on the inside cover page of this official statement. Interest on the Subseries 2019D-1 Bonds will be paid semiannually on each May 15 and November 15, beginning May 15, 2020, calculated based on a 360-day year comprised of twelve 30-day months and will be payable to the Holders thereof on each Interest Payment Date through the Purchase Date.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2019D-1 Bonds, it will be the sole registered owner of the Subseries 2019D-1 Bonds, and transfers of ownership interests in the Subseries 2019D-1 Bonds will occur through the DTC Book-Entry-Only System.

Trustee, Paying Agent and Tender Agent. The Bank of New York Mellon, New York, New York, is Trustee, Paying Agent and Tender Agent with respect to the Subseries 2019D-1 Bonds.

Tender and Redemption Provisions

Mandatory Tender for Purchase at End of Term Rate Mode Interest Rate Period. The Subseries 2019D-1 Bonds are subject to mandatory tender for purchase on the Business Day after the last day of each Interest Rate Period (the Purchase Date) at the Purchase Price (as defined herein). The Purchase Date for the Subseries 2019D-1 Bonds is November 15, 2024.

Mandatory Purchase Date and Purchase Price. The Purchase Date and the Mode Change Date are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Subseries 2019D-1 Bonds on any Mandatory Purchase Date will be the principal amount of such Subseries 2019D-1 Bonds. Each Mandatory Purchase Date is also an Interest Payment Date for the Subseries 2019D-1 Bonds and interest will be paid in accordance with customary procedures.

Mandatory Tender for Purchase at the Option of the Issuer. The Subseries 2019D-1 Bonds are not subject to mandatory tender for purchase prior to their Purchase Date.

Mandatory Tender for Purchase on any Mode Change Date. The Subseries 2019D-1 Bonds are subject to a mandatory tender for purchase on the Mode Change Date (which Mode Change Date will not be prior to the Purchase Date) at the Purchase Price.

No Optional Redemption. The Subseries 2019D-1 Bonds are not subject to optional redemption prior to their Purchase Date.

No City Redemption Prior to Mandatory Purchase Date. The MTA Act provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Subseries 2019D-1 Bonds, as a whole, but only in accordance with the terms upon which the Subseries 2019D-1 Bonds are otherwise redeemable. The Subseries 2019D-1 Bonds are not subject to City redemption prior to the Mandatory Purchase Date.

Mandatory Sinking Fund Redemption. The term bond shown below is subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on November 15 of each year and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from sinking fund installments which are required to be made in amounts sufficient to effectuate such redemptions:

Subseries 2019D-1 Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2033	\$68,450,000
final maturity	2034	71,870,000

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of term Subseries 2019D-1 Bonds otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase term Subseries 2019D-1 Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of bonds purchased will be made against the next Sinking Fund Installment due.

- If MTA purchases or redeems term Subseries 2019D-1 Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installment requirements in any order, and in any annual amount, that MTA may direct.

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the Notice Parties of the mandatory tender for purchase of the Subseries 2019D-1 Bonds that is to occur on that date.

Notice of any mandatory tender of Subseries 2019D-1 Bonds will be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of Subseries 2019D-1 Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Subseries 2019D-1 Bond, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Subseries 2019D-1 Bonds will, in addition, specify the conditions that have to be satisfied pursuant to the Transportation Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2019D-1 Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption would not affect the obligation of the Tender Agent to purchase the Subseries 2019D-1 Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Future Remarketing of Subseries 2019D-1 Bonds

MTA currently plans to remarket the Subseries 2019D-1 Bonds on or before the Mandatory Purchase Date, and apply the proceeds of such remarketing to pay the Purchase Price of the Subseries 2019D-1 Bonds. MTA expects to appoint a future remarketing agent (the Remarketing Agent) and direct the Remarketing Agent to offer for sale and use its best efforts to find purchasers for all Subseries 2019D-1 Bonds required to be tendered for purchase.

Source of Funds for Purchase of Subseries 2019D-1 Bonds

On or before 3:00 p.m. on each Mandatory Purchase Date, the Tender Agent will purchase the Subseries 2019D-1 Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived solely from immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of Subseries 2019D-1 Bonds.

Notwithstanding the foregoing, MTA will have the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2019D-1 Bond tendered or deemed tendered as described in this official statement and the Purchase Price of which is not paid on the Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent nor the Remarketing Agent will have any liability or obligation to pay or, except from the sources identified above, make available such Purchase Price. The failure to pay any such Purchase Price for Subseries 2019D-1 Bonds that have been tendered or deemed tendered for purchase from any of the sources identified above will not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Subseries 2019D-1 Bonds will be purchased, and such Subseries 2019D-1 Bonds will remain in the Term Rate

Mode and bear interest at the lesser of the maximum rate permitted by law and 9% per annum (the Maximum Rate). See “Consequences of a Failed Remarketing” below.

Unless otherwise specified, all times described herein are New York time.

Delivery of Remarketed Subseries 2019D-1 Bonds

Except as otherwise required or permitted by DTC’s book-entry-only system, remarketed Subseries 2019D-1 Bonds sold by the Remarketing Agent will be delivered by the Remarketing Agent to the purchasers of those Remarketed Bonds by 3:00 p.m. on the Mandatory Purchase Date.

Delivery and Payment for Purchased Subseries 2019D-1 Bonds; Undelivered Subseries 2019D-1 Bonds

Except as otherwise required or permitted by DTC’s book-entry-only system, remarketed Subseries 2019D-1 Bonds purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 p.m. noon on the Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Subseries 2019D-1 Bonds purchased will be made only if such Subseries 2019D-1 Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mandatory Purchase Date or, if the Owner has not provided or caused to be provided wire transfer instructions, by check mailed to the Owners at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution. If Subseries 2019D-1 Bonds to be purchased are not delivered by the Owners to the Tender Agent by 12:00 p.m. noon on the Mandatory Purchase Date, the Tender Agent will hold any funds received for the purchase of those Subseries 2019D-1 Bonds in trust in a separate account uninvested, and will pay such funds to the former Owners upon presentation of Subseries 2019D-1 Bonds subject to tender. Undelivered Subseries 2019D-1 Bonds are deemed tendered and cease to accrue interest as to the former Owners on the Mandatory Purchase Date if moneys representing the Purchase Price will be available against delivery of those Subseries 2019D-1 Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2019D-1 Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent’s satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2019D-1 Bonds will look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2019D-1 Bonds. The Tender Agent will authenticate replacement Subseries 2019D-1 Bonds for any undelivered Subseries 2019D-1 Bonds which may then be remarketed by the Remarketing Agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the Purchase Price of all Outstanding Subseries 2019D-1 Bonds on the Mandatory Purchase Date, (1) no purchase will be consummated on such Mandatory Purchase Date and the Tender Agent will, after any applicable grace period, (a) return all tendered Subseries 2019D-1 Bonds to the registered owners thereof and (b) return all remarketing proceeds to the Remarketing Agent for return to the persons providing such moneys; and (2) the Subseries 2019D-1 Bonds will bear interest at the Maximum Rate during the period of time from and including the Mandatory Purchase Date to (but not including) the date that all such Subseries 2019D-1 Bonds are successfully remarketed (the Delayed Remarketing Period).

Following a failed remarketing, MTA expects to continue to have the Remarketing Agent use its best efforts to remarket the Subseries 2019D-1 Bonds into a Mode and at a rate determined by MTA, which rate may or may not exceed the Maximum Rate (or such other Mode as the Trustee, at the direction of MTA, will thereafter designate to the Remarketing Agent and the prospective owners thereof) or an additional Interest Rate Period in the Term Rate Mode. Once the Remarketing Agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the Subseries 2019D-1 Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of such Subseries 2019D-1 Bonds not later than five Business

Days prior to the purchase date, which notice will state (1) that the interest rate on such Subseries 2019D-1 Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that such Subseries 2019D-1 Bonds will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; and (4) the Purchase Price of such Subseries 2019D-1 Bonds on the purchase date (expressed as a percentage of the principal amount thereof).

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply amounts to the redemption of all or any portion of the Subseries 2019D-1 Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption will be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on such Subseries 2019D-1 Bonds will be paid to the registered owners thereof (i) on each May 15 and November 15 occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest will be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use commercially reasonable efforts to cause the Remarketing Agent to remarket such Subseries 2019D-1 Bonds, to convert such Subseries 2019D-1 Bonds to another Mode or another Interest Rate Period or to refund such Subseries 2019D-1 Bonds, subject to market conditions and the determination of a rate and structure acceptable to MTA at that time.

DESCRIPTION OF SUBSERIES 2019D-2 BONDS

General

Record Date. The Record Date for the payment of principal of, interest on and any Sinking Fund Installments with respect to the Subseries 2019D-2 Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Subseries 2019D-2 Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Subseries 2019D-2 Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. So long as DTC is the registered owner of the Subseries 2019D-2 Bonds, all payments on the Subseries 2019D-2 Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – “Book-Entry-Only System.”

Maturity. The Subseries 2019D-2 Bonds shall mature and be payable as to principal and interest accrued from the dated date, as set forth on the inside cover page.

Interest Payments. The Subseries 2019D-2 Bonds mature on the dates and in the principal amounts and will bear interest at the per annum rates shown on the inside cover page of this official statement. Interest will be paid semiannually on each May 15 and November 15, beginning May 15, 2020, calculated based on a 360-day year comprised of twelve 30-day months and will be payable to the Holders thereof on each Interest Payment Date.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2019D-2 Bonds, it will be the sole registered owner of the Subseries 2019D-2 Bonds, and transfers of ownership interests in the Subseries 2019D-2 Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York, is Trustee and Paying Agent with respect to the Subseries 2019D-2 Bonds.

Redemption Prior to Maturity

Optional Redemption. The Subseries 2019D-2 Bonds are subject to redemption prior to maturity on any date on or after November 15, 2029, at the option of MTA, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

Make-Whole Optional Redemption. Prior to November 15, 2029, the Subseries 2019D-2 Bonds are subject to redemption at the option of MTA, in whole or in part, on any Business Day, at a redemption price equal to the greater of:

(i) 100% of the issue price set forth on the inside cover page hereof (but not less than 100% of the principal amount) of such Subseries 2019D-2 Bonds to be redeemed; and

(ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Subseries 2019D-2 Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Subseries 2019D-2 Bonds are to be redeemed, discounted to the date on which such Subseries 2019D-2 Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the “Treasury Rate” (as defined herein) plus 25 basis points;

plus, in each case, accrued and unpaid interest on such Subseries 2019D-2 Bonds to be redeemed on the redemption date.

The “Treasury Rate” is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days (but no more than forty-five calendar days) prior to the redemption date (excluding inflation indexed securities) (or, if such Federal Reserve Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of such Subseries 2019D-2 Bonds to be redeemed.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Subseries 2019D-2 Bonds prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Subseries 2019D-2 Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Subseries 2019D-2 Bonds in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Subseries 2019D-2 Bonds, as a whole, but only in accordance with the terms upon which the Subseries 2019D-2 Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Subseries 2019D-2 Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Subseries 2019D-2 Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to Owners within the same time frame. A redemption of the Subseries 2019D-2 Bonds is valid and effective even if DTC’s procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final – even if beneficial owners did not receive their notice and even if that notice had a defect.**

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Subseries 2019D-2 Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected

Subseries 2019D-2 Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Subseries 2019D-2 Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Subseries 2019D-2 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Subseries 2019D-2 Bonds.

Bond Insurance

Concurrently with the issuance of the Subseries 2019D-2 Bonds, AGM will issue a Municipal Bond Insurance Policy (the Policy) for the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048 (the Insured Bonds). The Policy will guarantee the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as **Attachment 5** to this official statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

DEBT SERVICE ON THE BONDS

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds, (ii) debt service on the Series 2019D Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds to be outstanding after the issuance of the Series 2019D Bonds.

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Table 1
Aggregate Debt Service
(\$ in thousands)⁽¹⁾

Year Ending December 31	Debt Service on Outstanding Bonds ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	Series 2019D Bonds			Aggregate Debt Service ⁽⁶⁾
		Principal	Interest	Total	
2019	\$ 1,052,002	-	-	-	\$ 1,052,002
2020	1,628,673	-	\$ 10,850	\$ 10,850	1,639,523
2021	1,616,746	-	10,614	10,614	1,627,359
2022	1,600,105	-	10,614	10,614	1,610,718
2023	1,685,485	-	10,614	10,614	1,696,098
2024	1,676,882	-	10,614	10,614	1,687,496
2025	1,657,137	-	10,614	10,614	1,667,751
2026	1,694,359	-	10,614	10,614	1,704,973
2027	1,535,729	-	10,614	10,614	1,546,342
2028	1,654,352	-	10,614	10,614	1,664,965
2029	1,663,841	-	10,614	10,614	1,674,454
2030	1,664,282	-	10,614	10,614	1,674,896
2031	1,722,252	-	10,614	10,614	1,732,865
2032	1,716,561	-	10,614	10,614	1,727,175
2033	1,378,195	\$ 68,450	10,614	79,064	1,457,259
2034	1,339,097	71,870	7,191	79,061	1,418,158
2035	1,343,148	-	3,598	3,598	1,346,745
2036	1,154,359	-	3,598	3,598	1,157,957
2037	1,130,310	-	3,598	3,598	1,133,908
2038	1,065,192	-	3,598	3,598	1,068,790
2039	1,001,470	-	3,598	3,598	1,005,068
2040	900,322	-	3,598	3,598	903,919
2041	733,229	-	3,598	3,598	736,827
2042	680,674	-	3,598	3,598	684,272
2043	538,770	-	3,598	3,598	542,368
2044	566,922	-	3,598	3,598	570,520
2045	460,357	-	3,598	3,598	463,954
2046	406,500	32,640	3,598	36,238	442,738
2047	376,693	33,785	2,455	36,240	412,934
2048	362,990	35,000	1,239	36,239	399,229
2049	204,475	-	-	-	204,475
2050	158,518	-	-	-	158,518
2051	129,026	-	-	-	129,026
2052	129,022	-	-	-	129,022
2053	79,398	-	-	-	79,398
2054	79,395	-	-	-	79,395
2055	79,395	-	-	-	79,395
2056	63,684	-	-	-	63,684
2057	10,483	-	-	-	10,483
Total	\$36,940,031	\$241,745	\$202,884	\$444,629	\$37,384,661

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread; Subseries 2002G-1 Bonds at an assumed rate of 4.0% plus the current fixed spread, except Subseries 2002G-1g Bonds at an assumed rate of 4.0%; Series 2011B Bonds at an assumed rate of 4.0% plus the current fixed spread; fixed rate mandatory tender bonds at their respective fixed rates prior to the mandatory tender date; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months for variable rate bonds and floating rate notes.

⁽³⁾ Excludes debt service on all outstanding Bond Anticipation Notes and Revenue Anticipation Notes.

⁽⁴⁾ Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the Transportation Resolution.

⁽⁵⁾ Excludes debt service on the bonds to be refunded by the Series 2019D Bonds.

⁽⁶⁾ Figures reflect amounts outstanding as of the date of issuance of the Series 2019D Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this official statement describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2019D Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from a gross lien on the money pledged for payment under the Transportation Resolution. They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

MTA receives "transportation revenues" directly and through certain subsidiaries (currently, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus) and affiliates (currently, MTA New York City Transit and MaBSTOA), and its receipts from many of these sources are pledged for the payment of Transportation Revenue Bonds. MTA and its subsidiaries and affiliates also receive operating subsidies from MTA Bridges and Tunnels and a number of other governmental sources. The Transportation Resolution provides that Owners are to be paid from pledged revenues prior to the payment of operating or other expenses, and as described in more detail below. MTA has covenanted to impose fares and other charges so that pledged revenues, together with other available moneys, will be sufficient to cover all debt service and operating and capital costs of the systems. See "Factors Affecting Revenues – Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses" below.

Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2018. A general description of the pledged revenues in the general categories referenced in **Table 2a** follows the table, and a more detailed description is set forth in Part 2 of the ADS under the heading "REVENUES OF THE RELATED ENTITIES."

Table 2a is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA on a cash basis. This information in **Table 2a** may not be indicative of future results of operations and financial condition. The information contained in **Table 2a** has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis (\$ in millions)

	Years Ended December 31,				
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues from Systems Operations					
Fares from Transit System	\$ 4,195	\$ 4,396	\$ 4,414	\$ 4,487	\$ 4,454
Fares from Commuter System	1,308	1,373	1,401	1,460	1,481
Fares from MTA Bus	225	223	233	236	242
Other Income ⁽¹⁾	<u>270</u>	<u>248</u>	<u>248</u>	<u>256</u>	<u>280</u>
Subtotal – Operating Revenues	\$5,999	\$6,240	\$6,296	\$6,439	\$6,457
Revenues from MTA Bridges and Tunnels Surplus	\$623	\$740	\$742	\$731	\$692
Revenues from Governmental Sources					
State and Local General Operating Subsidies	\$376	\$370	\$378	\$376	\$375
Special Tax-Supported Operating Subsidies					
DTF Excess ⁽²⁾	279	277	259	231	250
MMTOA Receipts	1,564	1,564	1,668	1,668	1,687
Urban Tax	806	941	811	585	656
Excess Mortgage Recording Taxes	25	25	25	25	25
MTA Aid Trust Account Receipts	313	285	300	306	273
Payroll Mobility Tax Receipts ⁽³⁾	<u>1,572</u>	<u>1,626</u>	<u>1,682</u>	<u>1,680</u>	<u>1,727</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,559	\$4,718	\$4,745	\$4,495	\$4,617
Station Maintenance and Service Reimbursements	524	599	563	560	530
City Subsidy for MTA Bus	461	439	356	520	464
Revenues from Investment of Capital Program Funds⁽⁴⁾	<u>7</u>	<u>8</u>	<u>13</u>	<u>24</u>	<u>55</u>
Subtotal – Non-Operating Revenues⁽⁵⁾	\$6,550	\$6,874	\$6,797	\$6,706	\$6,734
Total Transportation Resolution Pledged Revenues	\$12,549	\$13,114	\$13,093	\$13,145	\$13,190
Debt Service⁽⁶⁾	\$1,332	\$1,399	\$1,381	\$1,581	\$1,457
Debt Service Coverage from Pledged Revenues	9.4x	9.4x	9.5x	8.3x	9.1x

⁽¹⁾ Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Other income does not include Superstorm Sandy reimbursement funds.

⁽²⁾ Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTF Receipts described in Part 3 of the ADS under the caption “DEDICATED TAX FUND BONDS.”

⁽³⁾ Payroll Mobility Tax Receipts include PMT Revenue Offset of \$309 million annually in 2014 through 2016, and \$244.3 million in both 2017 and 2018.

⁽⁴⁾ Represents investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis.

⁽⁵⁾ Sum of (a) Revenues from MTA Bridges and Tunnels Surplus, (b) Revenues from Governmental Sources (including State and Local General Operating Subsidies and Special Tax-Supported Operating Subsidies), (c) Station Maintenance and Service Reimbursements, (d) City Subsidy for MTA Bus and (e) Revenues from Investment of Capital Program Funds.

⁽⁶⁾ Debt service was reduced by approximately \$54 million in each year of 2014 through 2018 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution.

The following should be noted in **Table 2a**:

- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State’s appropriation for the succeeding year advanced into the fourth quarter of MTA’s calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs. In 2015, MMTOA Receipts remained at the same level as in 2014, because the State redirected a portion of MMTOA funds from the operating budget to the capital budget.
- “Urban Tax” collection reflects the activity level of certain commercial real estate transactions in the City. Urban Tax revenues declined in 2017 due to fewer significantly large transactions (valued over \$100 million) as compared to 2015 and 2016. In 2018, MTA saw an increase in Urban Tax revenues from the prior year, as a result of both an overall stronger commercial real estate economy and an uptick in the value of significantly large transactions.
- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MTA’s service area. Mortgage recording taxes are used for Transit and Commuter Systems

purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service (\$25 million annually beginning in 2009). Since 2009, even though mortgage recording tax receipts have grown in six out of the last seven years, MTA Headquarters expenses and MTA Bus debt service expenses have continued to exceed MRT receipts, resulting in no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems.

- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received. MTA received one extra monthly payment made in 2017 (only 11 payments were made in 2016) and an additional quarterly payment, which is usually reconciled in the following year. In 2018, there was a decrease in receipts for MTA Bus, resulting from the additional quarterly payment that was made in 2017.
- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.
- In 2016, \$45.3 million of revenues on deposit in the Debt Service Fund were replaced with proceeds of certain Transportation Revenue Bonds permitting such revenues to be used together with other available moneys to prepay outstanding 2 Broadway Certificates of Participation. As a result, 2016 Debt Service reported in the above table is lower by \$45.3 million than it would have been if such transaction had not occurred.
- Totals may not add due to rounding.

Table 2b sets forth, by major category, for the five years ended December 31, 2018, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. This information contained in **Table 2b** may not be indicative of future results of operations and financial condition. The information in **Table 2b** has been prepared by MTA management based on MTA financial plans.

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Table 2b
MTA Consolidated Statement of Operations by Category
(\$ in millions)

Non-Reimbursable	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018
<u>Operating Revenue</u>					
Farebox Revenue	\$5,709	\$5,961	\$6,170	\$6,172	\$6,155
Toll Revenue	1,676	1,809	1,912	1,912	1,976
Other Revenue	682	689	653	653	643
Capital and Other Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	\$8,068	\$8,459	\$8,608	\$8,737	\$8,774
<u>Operating Expense</u>					
Labor Expenses:					
Payroll	\$4,672	\$4,696	\$5,019	\$5,021	\$5,211
Overtime	730	755	934	934	1,066
Health & Welfare	962	1,050	1,209	1,209	1,230
OPEB Current Payment	479	502	564	564	604
Pensions	1,304	1,249	1,345	1,345	1,336
Other-Fringe Benefits	784	861	794	792	881
Reimbursable Overhead	<u>(350)</u>	<u>(380)</u>	<u>(492)</u>	<u>(492)</u>	<u>(528)</u>
Subtotal Labor Expenses	\$8,582	\$8,732	\$9,238	\$9,373	\$9,799
Non-Labor Expenses:					
Electric Power	\$516	\$474	\$430	\$430	\$482
Fuel	267	162	150	150	185
Insurance	51	57	(3)	(3)	(29)
Claims	269	331	515	526	438
Paratransit Service Contracts	366	379	393	393	455
Maintenance and Other Operating Contracts	549	579	692	695	678
Professional Service Contracts	283	380	506	507	544
Materials & Supplies	527	543	588	588	637
Other Business Expenses	<u>180</u>	<u>196</u>	<u>217</u>	<u>217</u>	<u>221</u>
Subtotal Non-Labor Expenses	\$3,007	\$3,101	\$3,168	\$3,505	\$3,611
Other Expense Adjustments:					
Other	\$45	\$37	\$49	\$49	\$129
General Reserve	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Subtotal Other Expense Adjustments	\$45	\$37	\$47	\$49	\$129
Total Operating Expense before Non-Cash Liability Adj.	\$11,634	\$11,871	\$12,454	\$12,927	\$13,539
Depreciation	\$2,266	\$2,443	\$2,600	\$2,608	\$2,805
OPEB Liability Adjustment	2,035	1,490	1,548	1,567	
GASB 75 OPEB Expense Adjustment					1,048
GASB 68 Pension Expense Adjustment	0	(410)	(234)	(168)	(373)
Environmental Remediation	21	21	13	13	106
Total Operating Expense after Non-Cash Liability Adj.	\$15,956	\$15,414	\$16,252	\$16,948	\$17,124
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$4,322)	(\$3,543)	(\$3,927)	(\$4,021)	(\$3,585)
Debt Service (excludes Service Contract Bonds)	2,249	2,373	2,525	2,525	2,541
Total Operating Expense with Debt Service	\$13,882	\$14,244	\$14,912	\$15,452	\$16,079
Dedicated Taxes and State/Local Subsidies	\$6,375	\$6,595	\$6,429	\$6,416	\$7,177
Net Surplus/(Deficit) After Subsidies and Debt Service	\$561	\$810	\$371	(\$300)	(\$128)
Conversion to Cash Basis: GASB Account	(50)	0	0	0	0
Conversion to Cash Basis: All Other	(626)	(660)	129	174	379
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$115)	\$150	(\$232)	(\$126)	\$251
ADJUSTMENTS	0	0	0	0	0
PRIOR-YEAR CARRYOVER	445	330	480	248	121
NET CASH BALANCE	\$330	\$480	\$248	\$121	\$372

Table 3a sets forth the Summary of Mid-Year Forecast 2019 and Preliminary Budget 2020. Pledged Revenues are based on the MTA 2020 Preliminary Budget and the July Financial Plan 2020-2023. The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2014-2018, in **Table 2a**.

Table 3a
Summary of Mid-Year Forecast 2019 and Preliminary Budget 2020
(Calculated in Accordance with the Transportation Resolution)
(\$ in millions) ⁽¹⁾

	Mid-Year Forecast <u>2019</u>	Preliminary Budget <u>2020</u>
Revenues from Systems Operations		
Fares from Transit System	\$4,539	\$4,600
Fares from Commuter System	1,536	1,561
Fares from MTA Bus	221	224
Other Income ⁽²⁾	<u>309</u>	<u>289</u>
Subtotal – Operating Revenues	\$6,604	\$6,674
Revenues from MTA Bridges and Tunnels Surplus	\$762	\$776
Revenues from State and Local Governmental Sources		
State and Local General Operating Subsidies	\$356	\$376
NYC Transportation Assistance Fund – General Transportation Account⁽³⁾	\$0	\$84
Special Tax-Supported Operating Subsidies		
DTF Excess ⁽⁴⁾	253	235
MMTOA Receipts	1,824	1,888
Urban Tax	671	626
Excess Mortgage Recording Taxes	12	12
Aid Trust Account Receipts ⁽⁵⁾	313	318
Payroll Mobility Tax Receipts ⁽⁵⁾	<u>1,839</u>	<u>1,907</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,912	\$4,987
Station Maintenance and Service Reimbursements	\$613	\$610
City Subsidy for MTA Bus	669	517
Income from Investment of Capital Program Funds	2	2
Subtotal – Non-Operating Revenues	\$7,315	\$7,351
Total Transportation Resolution Pledged Revenues	\$13,919	\$14,026
Budgeted Debt Service ⁽⁶⁾	\$1,613	\$1,721
Debt Service Coverage from Pledged Revenues	8.6x	8.1x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Other income for the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income for the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Includes MTA Bus Other Income.

⁽³⁾ The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a new New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and a General Transportation account. See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – 2018 Additional Revenues”. The zero amounts in 2019 reflect lower collection of For-Hire Vehicle fees, as collections were delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January 2019. See the PART I of the ADS. See also “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – Legal Challenges to Certain Congestion Zone Surcharges” for a description of a lawsuit challenging the application of certain Congestion Zone Surcharges.

⁽⁴⁾ Calculated by subtracting the debt service payments on Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the ADS under the caption “DEDICATED TAX FUND BONDS.”

⁽⁵⁾ See “PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees” in the ADS for a description of such additional revenues and MTA’s current expectations for application of such revenues in the future.

⁽⁶⁾ Net of annual Build America Bond interest credit payments on previously issued bonds of approximately \$54.2 million in 2019 and \$53.5 million in 2020. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Mid-Year Forecast 2019 and Preliminary Budget 2020, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2020 Preliminary Budget and the July Financial Plan 2020-2023. The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2014-2018, in **Table 2b**.

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Table 3b
MTA Consolidated Statement of Operations by Category
(\$ in millions)

Non-Reimbursable	Mid-Year Forecast <u>2019</u>	Preliminary Budget <u>2020</u>
<u>Operating Revenue</u>		
Farebox Revenue	\$6,305	\$6,389
Toll Revenue	2,088	2,121
Other Revenue	696	684
Capital and Other Reimbursements	<u>0</u>	<u>0</u>
Total Operating Revenue	\$9,089	\$9,195
<u>Operating Expense</u>		
Labor Expenses:		
Payroll	\$5,328	\$5,422
Overtime	910	838
Health & Welfare	1,341	1,414
OPEB Current Payment	645	704
Pensions	1,494	1,461
Other-Fringe Benefits	869	897
Reimbursable Overhead	<u>(471)</u>	<u>(430)</u>
Subtotal Labor Expenses	\$10,116	\$10,306
Non-Labor Expenses:		
Electric Power	\$452	\$473
Fuel	183	183
Insurance	6	16
Claims	388	394
Paratransit Service Contracts	495	488
Maintenance and Other Operating Contracts	840	797
Professional Service Contracts	608	503
Materials & Supplies	689	680
Other Business Expenses	<u>218</u>	<u>214</u>
Subtotal Non-Labor Expenses	\$3,877	\$3,748
Other Expense Adjustments:		
Other	\$175	\$86
General Reserve	<u>165</u>	<u>170</u>
Subtotal Other Expense Adjustments	\$340	\$256
Total Operating Expense before Non-Cash Liability Adjustments	\$14,333	\$14,310
Depreciation	\$2,785	\$2,843
GASB 75 OPEB Expense Adjustment	1,457	1,628
GASB 68 Pension Expense Adjustment	(221)	(272)
Environmental Remediation	6	6
Total Operating Expense after Non-Cash Liability Adjustments	\$18,360	\$18,515
Conversion to Cash Basis: Non-Cash Liability Adjustments	(\$4,027)	(\$4,205)
Debt Service (excludes Service Contract Bonds)	2,683	2,830
Total Operating Expense with Debt Service	\$17,016	\$17,140
Dedicated Taxes and State/Local Subsidies	\$7,314	\$7,406
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$613)	(\$539)
Conversion to Cash Basis: GASB Account	0	0
Conversion to Cash Basis: All Other	229	147
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	(\$384)	(\$392)
ADJUSTMENTS	73	386
PRIOR-YEAR CARRYOVER	<u>372</u>	<u>61</u>
NET CASH BALANCE	\$61	\$55

Description of Pledged Revenues

Each of the following revenues is described in more detail in Part 2 of the ADS under the caption “REVENUES OF THE RELATED ENTITIES.” See also **Tables 2a, 2b, 3a** and **3b** above for both historical and forecasted results for each category of pledged revenues described below.

Revenues from Systems Operations.

- **Fares from the Transit and Commuter Systems.** The previously approved transit and commuter fare increases were implemented on March 19, 2017. At its February 27, 2019 meeting, the MTA Board approved transit and commuter fare increases, that became effective on April 21, 2019.

The base subway, local bus and paratransit fares remained unchanged at \$2.75 per trip and the base express bus fare increased from \$6.50 to \$6.75 per trip. The Pay-Per-Ride MetroCard bonus was eliminated. Single ride subway and bus tickets remained unchanged at \$3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from \$121 to \$127, the cost of a 7-day unlimited ride MetroCard from \$32 to \$33, and the 7-day Express Bus Plus unlimited ride MetroCard from \$59.50 to \$62.

At MTA Metro-North Railroad and MTA Long Island Rail Road, all weekly and monthly passes increased 3.85% or less, and monthly tickets no more than \$15. One way tickets had a range of increases due to the need for fares to round to \$0.25 increments. One-way fares into New York City had a range of increases up to 8.00%. Other ticket types such as intermediates, half fares and other discounted tickets had larger increases up to 10%, again due to the need to round to \$0.25 increments on a low ticket price. For these one-way fares, any increase greater than 6.0% was not more than \$0.50 per ride. Increased fares also apply to UniTickets and MTA Metro-North Railroad-managed connecting services. CityTicket increased from \$4.25 to \$4.50.

- **Other Income.** MTA receives revenues from concessions to vendors and from advertising and other space it rents in subway and commuter rail cars, buses, stations and other facilities. Concession revenues from Grand Central Terminal (the main station for MTA Metro-North Railroad) and Penn Station (the main station for MTA Long Island Rail Road), however, are not included within these amounts pledged.

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs, but not including moneys deposited in to the CBD Tolling Capital Lockbox Fund, as hereinafter described) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

At their February 27, 2019 meeting, the MTA Board approved toll increases that became effective on March 31, 2019, as follows:

- **Cash/Tolls by Mail for Passenger Vehicles.** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by \$1.00 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to \$9.50, by \$2.00 at the Verrazzano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to \$19.00, by \$1.00 at the Henry Hudson Bridge to \$7.00, and by \$0.50 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to \$4.75. Commercial vehicle tolls also increased. Effective September 30, 2017, MTA Bridges and Tunnels completed full implementation of Cashless Tolling at all MTA Bridges and Tunnels Facilities.
- **E-ZPass Tolls.** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by \$0.36 at major facilities, \$0.72 at the VNB, \$0.16 at the Henry Hudson Bridge and \$0.13 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

- ***General Operating Subsidies from the State and Local Governments.*** Under the State's Section 18-b program, MTA receives:
 - subsidies for the Transit System from the State and matching subsidies from the City, and
 - subsidies for the Commuter System from the State and matching subsidies from the City and the seven counties within the MCTD.
- ***Special Tax-Supported Operating Subsidies.*** MTA receives subsidies from a number of sources including:
 - portions of the following dedicated taxes pledged but not ultimately needed to pay debt service on MTA's Dedicated Tax Fund bonds:
 - a group of business privilege taxes imposed on petroleum businesses operating in the State, referred to as the PBT,
 - motor fuel taxes on gasoline and diesel fuel, and
 - certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees; and
 - portions of the following mass transportation operating assistance or MMTOA taxes, which State law requires first be used to pay debt service on MTA's Dedicated Tax Fund bonds if the dedicated taxes described above are insufficient:
 - the regional PBT (in addition to the State-wide portion described above), which is referred to as the MMTOA PBT,
 - the sales and compensating use tax within the MCTD,
 - two franchise taxes imposed on certain transportation and transmission companies, and
 - a surcharge on a portion of the franchise tax imposed on certain corporations, banks, insurance, utility and transportation companies attributable to business activities within the MCTD; and
 - a portion of the amounts collected by the City for the benefit of the Transit System from certain mortgage transfer and recording taxes (the Urban Taxes).

Additional Taxes and Fees.

2009 Additional Taxes and Fees. On May 7, 2009, legislation was enacted in the State (the May 2009 Legislation) providing additional sources of revenues in the form of taxes, fees and surcharges to address the financial needs of MTA. Certain provisions of the May 2009 Legislation, principally relating to the payroll mobility tax (PMT), have been substantially revised since originally enacted, including provisions exempting additional categories of taxpayers from payment of the PMT, increasing the level of payroll expense at which the PMT becomes applicable, and lowering the tax rate. The May 2009 Legislation, as amended to date, among other things, imposes:

- a PMT on payroll expenses and net earnings from self-employment within the MCTD, subject to certain limitations and exemptions;
- a supplemental fee of one dollar for each six-month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD;
- a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD;
- a tax on taxicab owners of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD; and

- a supplemental tax of six percent of the cost of rentals of automobiles rented within the MCTD.

Additional amendments made in 2011 to the May 2009 Legislation further expressly provided that any reductions in aid to MTA attributable to the 2011 statutory reductions in the payroll mobility tax “shall be offset through alternative sources that will be included in the state budget” (the PMT Revenue Offset).

Revenue from the PMT is not subject to appropriation, but is payable directly to MTA pursuant to an amendment in the 2015-2016 State Enacted Budget. The PMT Revenue Offset, however, is subject to appropriation. Beginning in State Fiscal Year 2019-2020, the revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) are no longer subject to appropriation, but will be paid on a quarterly basis to MTA.

2018 Additional Revenues. In April 2018, legislation was enacted in the State (the April 2018 Legislation) providing additional sources of revenues, in the form of surcharges and fines, to address the financial needs of MTA. Among other things, the April 2018 Legislation imposed, beginning January 1, 2019, the following:

- a surcharge of \$2.75 on for-hire transportation trips (the For-Hire Transportation Surcharge) provided by motor vehicles carrying passengers for hire (or \$2.50 in the case of taxicabs that are subject to the \$0.50 tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulances and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the Borough of Manhattan (the Congestion Zone), (2) originates anywhere in the State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in the State, or (4) originates anywhere in the State, enters into the Congestion Zone while in transit, and terminates anywhere in the State;
- a surcharge of \$0.75 for each person (the Pool Vehicle Surcharge, which, together with the For-Hire Transportation Surcharge, is referred to herein collectively as the Congestion Zone Surcharges) who both enters and exits a pool vehicle (certain carpool arrangements set forth in the April 2018 Legislation) in the State and who is picked up in, dropped off in, or travels through the Congestion Zone; and
- certain fines relating to bus rapid transit lane restrictions (the Rapid Transit Lane Fines) captured by the use of stationary and mobile (on-bus) bus lane photo devices on up to ten bus rapid transit routes designated by the New York City Department of Transportation.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services.

The April 2018 Legislation also created the New York City Transportation Assistance Fund, held by MTA, and the following three accounts therein:

- Subway Action Plan Account,
- Outer Borough Transportation Account, and
- General Transportation Account.

Moneys in the Subway Action Plan Account may be used exclusively for funding the operating and capital costs of the Subway Action Plan (such plan developed by MTA New York City Transit and approved by the MTA Board). Moneys in the Outer Borough Transportation Account may be used exclusively for funding (1) the operating and capital costs of MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels. In connection with the enactment of the State budget for Fiscal Year 2019-2020, adopted on April 1, 2019 (the 2019-2020 State Enacted Budget), moneys from the Outer Borough Transportation Account were earmarked to establish two rebate programs relating to certain toll payers of specified MTA Bridges and Tunnels crossings. Moneys in the General Transportation Account may be used for funding the operating and

capital costs of MTA. In each case, moneys may be used for pay-go or for debt service and reserve requirements.

The Congestion Zone Surcharges, together with interest and penalties thereon, will be deposited daily with the State Comptroller in trust for MTA. The State Comptroller will retain such amount as is determined to be necessary for refunds and the State Commissioner of Taxation and Finance (the Commissioner) will deduct reasonable amounts for costs incurred to administer, collect and distribute such amounts. If sufficient amounts are collected and available, then in accordance with the April 2018 Legislation, on or before the 12th day of each month, after reserving amounts for refunds and reasonable costs, the Commissioner will certify to the State Comptroller the amounts collected in the prior month and the following amounts will be transferred to the following accounts by the 15th business day of each succeeding month (except for the Rapid Transit Lane Fines, which are payable quarterly):

- to the Subway Action Plan Account, without appropriation:
 - in calendar year 2019 – the first \$362 million,
 - in calendar year 2020 – the first \$301 million, and
 - in calendar year 2021 and thereafter – the first \$300 million.
- to the Outer Borough Transportation Account, without appropriation, in each year the next \$50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2020.

For a discussion of certain litigation relating to the Congestion Zone Surcharges, see “FINANCIAL PLANS AND CAPITAL PROGRAMS – Additional Matters – *Legal Challenge to Certain 2018 Enacted Congestion Zone Surcharges*” in Part 2 of the **ADS**.

Application of 2009 Additional Taxes and Fees and 2018 Additional Revenues.

- *PMT.* The revenues from the PMT and the PMT Revenue Offset (the PMT Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service on Transportation Revenue Bonds, of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Under the Transportation Resolution, the PMT Revenues constitute “Operating Subsidies” that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds to the extent not required to be applied to the payment of debt service on bonds that may be issued in the future by MTA that are secured in whole or in part by the PMT Revenues.
- *Aid Trust Account Monies.* The revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine. Under the Transportation Resolution, the Aid Trust Account Monies constitute “Non-Pledged Operating Subsidies” that are not pledged to the

payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses. Although MTA has allocated such monies so as to constitute pledged revenues in prior years, no assurances can be given that MTA will allocate any of the Aid Trust Account Monies to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses in the future.

- *Congestion Zone Surcharges and Rapid Transit Lane Fines.* The Congestion Zone Surcharges and the Rapid Transit Lane Fines may be pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used, as described above, including the payment of debt service of MTA. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Congestion Zone Surcharges and the Rapid Transit Lane Fines may be used by MTA to pay for costs, including operating costs of MTA, for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used.

Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the Subway Action Plan Account and the Outer Borough Transportation Account constitute “Non-Pledged Operating Subsidies” that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or to Operating and Maintenance Expenses. Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the General Transportation Account and the Rapid Transit Lane Fines constitute “Operating Subsidies” that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds.

Expectations with Respect to Future Bonding. MTA currently anticipates establishing a new credit secured in whole or in part by the PMT Revenues and the Aid Trust Account Monies. Such pledge would reduce the amounts of PMT Revenues and Aid Trust Account Monies available to constitute Operating Subsidies.

MTA currently expects that, unless and until amounts constituting the PMT Revenue Offset are pledged as part of the security for the new credit secured in whole or in part by PMT Revenues, such amounts would be treated as “Operating Subsidies” pledged to the payment of principal and interest on the Transportation Revenue Bonds.

2019 Additional Revenues for MTA Capital Program Costs. The 2019-2020 State Enacted Budget established three additional revenue sources for MTA: (1) the Central Business District Tolling Program, (2) a portion of the collections of new real estate transfer taxes to be imposed in the City, and (3) allocated portions of the State and City sales tax collections based upon projected increases due to legislative changes to collect City-based internet sales tax allocations (the State portion of such sales tax collections were not appropriated in the 2019 legislative session and accordingly will not be available to MTA until they are appropriated by the Legislature). Funds from such additional revenue sources are to be deposited in a newly established CBD Tolling Capital Lockbox Fund held by MTA Bridges and Tunnels, to be used, subject to certain limitations, to fund operating, administration and other necessary expenses relating to the CBD Tolling Program, including costs incurred by MTA Bridges and Tunnels in administering the program and related costs incurred by the City Department of Transportation, and costs of MTA capital projects included in the 2020-2024 Capital Program or any successor capital program. Such funds in the CBD Tolling Capital Lockbox Fund may be:

- (i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or
- (ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis; or

(iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay for costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis.

See “MTA-RELATED PROVISIONS IN THE NEW YORK STATE FISCAL YEAR 2019-2020 ENACTED BUDGET – Central Business District Tolling Program” and “–Other New Recurring Revenue Sources for MTA” in Part I of the **ADS**.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May 2009 Legislation, as amended) into the State’s general fund or any other fund maintained for support of another governmental purpose.

Station Maintenance and Service Reimbursements. MTA is reimbursed by the City and the seven counties in the MCTD with respect to commuter stations located in each respective jurisdiction for the cost of staffing the stations, maintaining the stations and appurtenant land and buildings, and insurance. In addition, the City provides for the policing of the Transit System and contributes to support MTA New York City Transit’s paratransit, senior citizen and school children programs. Also, MTA Metro-North Railroad receives certain payments from the Connecticut Department of Transportation (CDOT) for its share of the operating deficits of the New Haven rail line.

City Agreement with MTA Bus. In December 2004, the MTA Board approved a letter agreement with the City (the MTA Bus Letter Agreement) with respect to MTA Bus’ establishment and operation of certain bus routes (the MTA Bus System) in areas then served by seven private bus companies pursuant to franchises granted by the City. The City’s payments under the MTA Bus Letter Agreement are pledged to holders of the Transportation Revenue Bonds and are reflected in **Tables 2a, 2b, 3a and 3b** above. The MTA Bus Letter Agreement with the City provides for the following:

- A lease by the City to MTA Bus of the bus assets to operate the MTA Bus System.
- The City agrees to pay MTA Bus the difference between the actual cost of operation of the MTA Bus System (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the MTA Bus System.
- If the City fails to timely pay any of the subsidy amounts due for a period of 30 days, MTA Bus has the right, after an additional 10 days, to curtail, suspend or eliminate service and may elect to terminate the agreement. The City can terminate the agreement on one year’s notice.

Revenues from Investment Income and Miscellaneous. MTA earns income, as do its subsidiaries and affiliates, from the temporary investment of money held in those of MTA’s various funds and accounts that are pledged to holders of Transportation Revenue Bonds.

Factors Affecting Revenues

Ridership. The level of fare revenues depends to a large extent on MTA’s ability to maintain and/or increase ridership levels on the Transit, Commuter and MTA Bus Systems. Those ridership levels are affected by safety and the quality and efficiency of systems operations, as well as by financial and economic conditions in the New York metropolitan area.

Fare Policy. MTA determines the rate or rates of fares charged to users of the Commuter System and MTA Bus System, and MTA New York City Transit and MaBSTOA, together with MTA, do the same for the Transit System. After adopting operating expense budgets and assessing the availability of governmental subsidies, each makes a determination of fares necessary to operate on a self-sustaining cash basis in compliance with State law and covenants in the Transportation Resolution. Considering the impact of increased fares on riders and on the regional economy, MTA may attempt to reduce costs or obtain additional

revenues from other sources, mainly governmental sources, before increasing fares. As a result, even though MTA does not generally need other governmental approvals before setting fares, the amount and timing of fare increases may be affected by the federal, State and local government financial conditions, as well as by budgetary and legislative processes. MTA's obligation to obtain approval of fare increases on the New Haven line from CDOT can also affect the amount and timing of fare increases.

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the adopted budget for 2019, the preliminary budget prepared in connection with 2020 and the forecasts prepared in connection with 2021, 2022 and 2023) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the July Financial Plan 2020-2023, the budgets of the Related Entities are expected to be in balance in 2019 and 2020, but there are projected deficits in 2021, 2022 and 2023. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

Financial Plans. The July Financial Plan 2020-2023, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the proposed 2020-2024 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the July Financial Plan 2020-2023, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the proposed 2020-2024 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Transformation Plan. The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization and providing safe and reliable service. MTA remains committed to meeting the needs of its customers in a more cost efficient and trustworthy manner. To that end, MTA procured the services of a management consulting firm to aid in this transformation. That firm presented its report to MTA (MTA Transformation Plan) and initial anticipated fiscal impacts of the report's recommendations are included in the July Financial Plan 2020-2023. The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

MTA Enhanced Policing and Cyber Security Initiatives. MTA management has committed to two new initiatives that will have incremental budgetary expenditure impacts over the term of MTA's current four-year Financial Plan through 2023 and beyond. First, MTA is planning an incremental increase of 493 uniformed police officers over an already planned initiative that will provide an increase of police to serve East Side Access upon its opening. This additional increase in police officers will be primarily focused on MTA New York City Transit quality of life concerns, fare evasion enforcement and employee and customer safety on the subways and buses. By the end of the financial plan period, these combined initiatives are expected to provide MTA with an additional 581 uniformed police. The incremental costs of the initiative since the July Plan over the course of the 2020-2023 Financial Plan period is estimated to be approximately \$248.2 million, excluding related ongoing training and equipment costs. Second, a new cyber security initiative is planned as part of MTA's continual assessment of cyber security vulnerabilities to enhance MTA and Related Entities' operating technologies and to protect critical infrastructure. The estimated costs of the cyber security initiative are \$52.3 million annually for the years 2020 through 2022, \$42.3 million in 2023 and \$41.3 million in 2024, and annually thereafter. Each of the foregoing new programs will be included in the MTA budget in the November Financial Plan expected to be considered by the MTA Board at its November 2019 meeting.

MTA Bridges and Tunnels Operating Surplus. The amount of MTA Bridges and Tunnels operating surplus to be used for the Transit and Commuter Systems is affected by a number of factors, including traffic

volume, the timing and amount of toll increases, the operating and capital costs of MTA Bridges and Tunnels Facilities, and the amount of debt service payable from its operating revenues, including debt service on obligations issued for the benefit of MTA's affiliates and subsidiaries and for MTA Bridges and Tunnels' own capital needs.

Government Assistance. The level and timing of government assistance to MTA may be affected by several different factors, such as:

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.
- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the State and the State of Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this official statement. Such information is on file with MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of Transportation Revenue Bonds and Notes wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of Transportation Revenue Bonds or Notes. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Series 2019D Bonds, are MTA's special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

- The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section "SOURCES OF PAYMENT," which are, together with certain other revenues, referred to as "pledged revenues."
- Holders of Transportation Revenue Bonds are to be paid prior to the payment, from pledged revenues, of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus. However, MTA's ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.
- Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit.

- MTA has no taxing power.

Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA. See “INTRODUCTION – Where to Find Information.”

Pledge Effectuated by the Resolution

The Transportation Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Transportation Revenue Bonds and Parity Debt, in accordance with their terms and the provisions of the Transportation Resolution the following, referred to as the “Trust Estate”:

- all pledged revenues as described above;
- the net proceeds of certain agreements pledged by MTA to the payment of transit and commuter capital projects;
- the proceeds from the sale of Transportation Revenue Bonds, until those proceeds are paid out for an authorized purpose;
- all funds, accounts and subaccounts established by the Transportation Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt); and
- the Amended and Restated Interagency Agreement dated as of April 1, 2006, among MTA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA New York City Transit, MaBSTOA and MTA Bus.

The Trustee may directly enforce an undertaking to operate the Transit System, the Commuter System or the MTA Bus System to ensure compliance with the Transportation Resolution.

Under the Transportation Resolution, the operators of the Transit, Commuter and MTA Bus Systems are obligated to transfer to the Trustee for deposit into the Revenue Fund virtually all pledged revenues as soon as practicable following receipt or, with respect to revenues in the form of cash and coin, immediately after being counted and verified. The pledge of money located in the State of Connecticut may not be effective until that money is deposited under the Transportation Resolution.

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee),
- Debt Service Fund (held by the Trustee), and
- Proceeds Fund (held by MTA).

The Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

- to the debt service accounts, the net amount, if any, required to make the amount in the debt service accounts equal to the accrued debt service for Transportation Revenue Bonds and Parity Debt to the last day of the current calendar month;
- to pay, or accrue to pay, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation;
- to MTA for deposit in the Proceeds Fund, as directed by one of MTA’s authorized officers, to fund Capital Costs of the Transit, Commuter and MTA Bus Systems; and

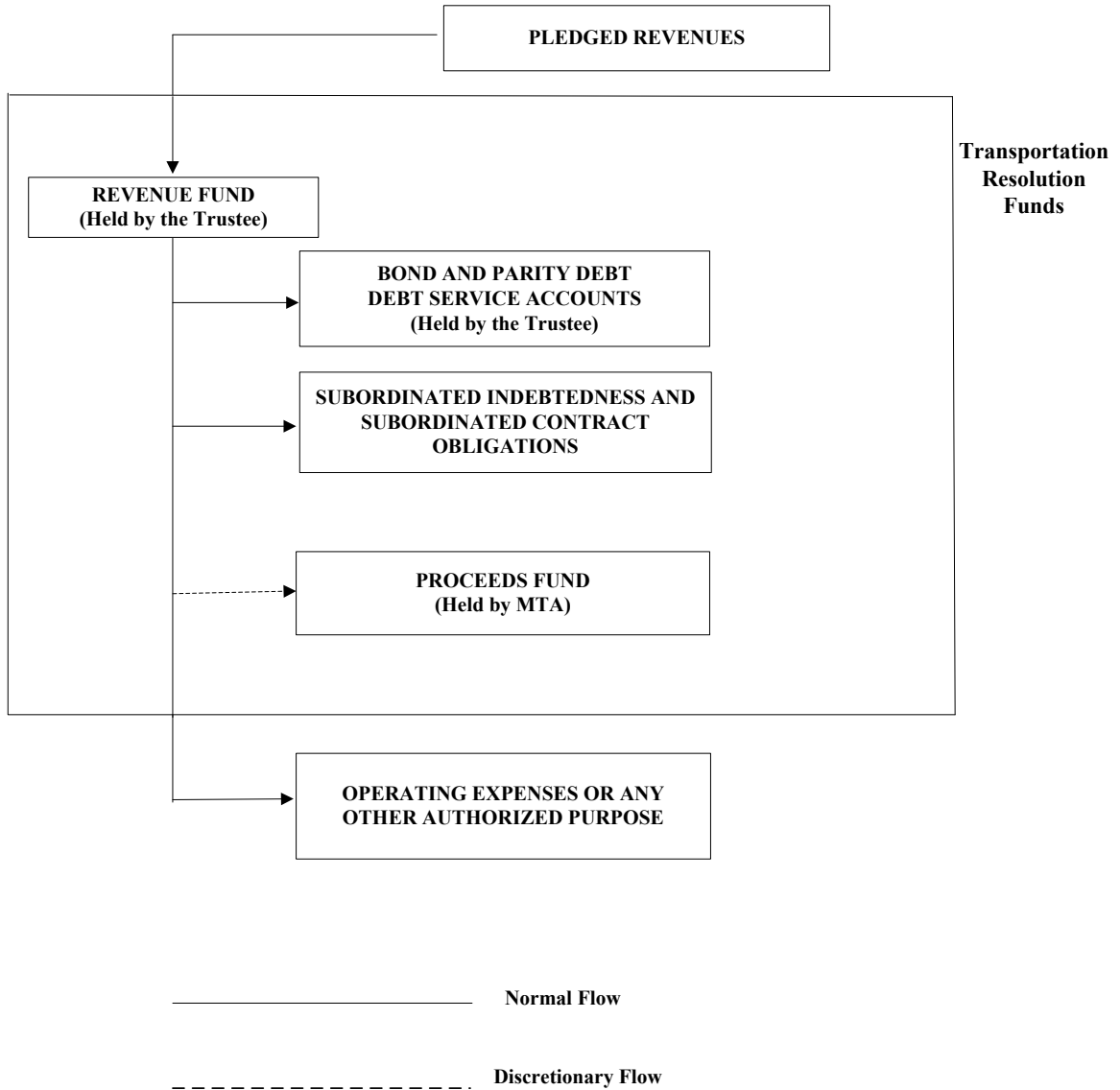
- to accounts held by MTA or any of the Related Transportation Entities for payment of operating expenses or any other authorized purpose.

All amounts paid out by MTA or the Trustee either for an authorized purpose (excluding transfers to any other pledged fund or account) or under the last bullet point above are free and clear of the lien and pledge created by the Transportation Resolution.

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The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



Covenants

Rate Covenants. MTA must fix the transit and commuter fares and other charges and fees to be sufficient, together with other money legally available or expected to be available, including from government subsidies –

- to pay the debt service on all the Transportation Revenue Bonds;
- to pay any Parity Debt;
- to pay any Subordinated Indebtedness and amounts due on any Subordinated Contract Obligations; and
- to pay, when due, all operating and maintenance expenses and other obligations of its transit and commuter affiliates and subsidiaries.

See “SOURCES OF PAYMENT – Factors Affecting Revenues” above.

Operating and Maintenance Covenants.

- MTA, MaBSTOA, MTA New York City Transit, MTA Metro-North Railroad, MTA Long Island Rail Road and MTA Bus are required at all times to operate, or cause to be operated, the systems properly and in a sound and economical manner and maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept in good repair, working order and condition.
- Nothing in the Transportation Resolution prevents MTA from ceasing to operate or maintain, or from leasing or disposing of, all or any portion of the systems if, in MTA’s judgment it is advisable to do so, but only if the operation is not essential to the maintenance and continued operation of the rest of the systems and this arrangement does not materially interfere with MTA’s ability to comply with MTA’s rate covenants.

Additional Bonds. The Transportation Resolution permits MTA to issue additional Transportation Revenue Bonds and to issue or enter into Parity Debt, from time to time, to pay or provide for the payment of qualifying costs, without meeting any specific debt-service-coverage level, as long as MTA certifies to meeting the rate covenant described above for the year in which the additional debt is being issued. Under the Transportation Resolution, MTA may only issue additional Transportation Revenue Bonds if those bonds are issued to fund projects pursuant to an approved MTA Capital Program, if an approved capital program is then required.

There is no covenant with Owners limiting the aggregate principal amount of additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current State law that covers the Transportation Revenue Bonds and certain other securities. See Part 3 of the **ADS** under the caption “GENERAL – Financing of Capital Projects and Statutory Ceiling” for a description of the current statutory cap.

Refunding Bonds. MTA may issue Transportation Revenue Bonds to refund all or any portion of the Transportation Revenue Bonds or Parity Debt. Transportation Revenue Bonds may also be issued to refund any pre-existing indebtedness of any Related Entity issued to fund transit and commuter projects. The MTA Board has adopted a refunding policy which must be complied with prior to the issuance of any refunding Bonds.

Non-Impairment. Under State law, the State has pledged to MTA that it will not limit or change MTA’s powers or rights in such a way that would impair the fulfillment of MTA’s promises to holders of the Transportation Revenue Bonds.

No Bankruptcy. State law specifically prohibits MTA, its Transit System affiliates, its Commuter System subsidiaries or MTA Bus from filing a bankruptcy petition under Chapter 9 of the U.S. Federal Bankruptcy Code. As long as any Transportation Revenue Bonds are outstanding, the State has covenanted

not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the Transportation Resolution that, subject to certain exceptions, would be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Transportation Resolution with respect to Transportation Revenue Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the Trustee.

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PART III. OTHER INFORMATION ABOUT THE SERIES 2019D BONDS

Part III of this official statement provides miscellaneous additional information relating to the Series 2019D Bonds.

TAX MATTERS RELATING TO THE SUBSERIES 2019D-1 BONDS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., are Co-Bond Counsel for the Subseries 2019D-1 Bonds. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Subseries 2019D-1 Bonds is:

- excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and
- not a specific preference item for an Owner in calculating the federal alternative minimum tax.

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Subseries 2019D-1 Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3-1** to this official statement for the form of the opinions that Co-Bond Counsel each expect to deliver when the Subseries 2019D-1 Bonds are delivered.

The Subseries 2019D-1 Bonds

The Internal Revenue Code of 1986 imposes requirements on the Subseries 2019D-1 Bonds that MTA must continue to meet after the Subseries 2019D-1 Bonds are issued. These requirements generally involve the way that Subseries 2019D-1 Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Subseries 2019D-1 Bonds must be used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Subseries 2019D-1 Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Subseries 2019D-1 Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Subseries 2019D-1 Bonds.

If an Owner is in any of these categories, it should consult its tax advisor.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Subseries 2019D-1 Bonds or affect the market price of the Subseries 2019D-1 Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Subseries 2019D-1 Bonds, or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Subseries 2019D-1 Bond for a price that is more than the principal amount, generally the excess is “bond premium” on that Subseries 2019D-1 Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner’s tax basis in that Subseries 2019D-1 Bond will be reduced. The Owner of a Subseries 2019D-1 Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Subseries 2019D-1 Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Subseries 2019D-1 Bond with bond premium, even though the Subseries 2019D-1 Bond is sold for an amount less than or equal to the Owner’s original cost. If an Owner owns any Subseries 2019D-1 Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Subseries 2019D-1 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Subseries 2019D-1 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Subseries 2019D-1 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner’s federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Subseries 2019D-1 Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Subseries 2019D-1 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Subseries 2019D-1 Bonds from gross income for federal or state income tax purposes, or otherwise. Prospective purchasers of the Subseries 2019D-1 Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Subseries 2019D-1 Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance of the Subseries 2019D-1 Bonds may affect the tax status of interest on the Subseries 2019D-1 Bonds.

Prospective Owners should consult their own tax advisors regarding the foregoing matters.

TAX MATTERS RELATING TO THE SUBSERIES 2019D-2 BONDS

Federal Income Tax

The following is a summary of certain anticipated United States federal income tax consequences of the purchase, ownership and disposition of the Subseries 2019D-2 Bonds. The summary is based upon the provisions of the Code, the Treasury Regulations promulgated thereunder and the judicial and administrative

rulings and decisions now in effect, all of which are subject to change. Such authorities may be repealed, revoked, or modified, possibly with retroactive effect, so as to result in United States federal income tax consequences different from those described below. The summary generally addresses Subseries 2019D-2 Bonds held as capital assets within the meaning of Section 1221 of the Code and does not purport to address all aspects of federal income taxation that may affect particular investors in light of their individual circumstances or certain types of investors subject to special treatment under the federal income tax laws, including but not limited to financial institutions, insurance companies, dealers in securities or currencies, persons holding such Subseries 2019D-2 Bonds as a hedge against currency risks or as a position in a “straddle,” “hedge,” “constructive sale transaction” or “conversion transaction” for tax purposes, or persons whose functional currency is not the United States dollar. It also does not deal with holders other than original purchasers that acquire Subseries 2019D-2 Bonds at their initial issue price except where otherwise specifically noted. Potential purchasers of the Subseries 2019D-2 Bonds should consult their own tax advisors in determining the federal, state, local, foreign and other tax consequences to them of the purchase, holding and disposition of the Subseries 2019D-2 Bonds.

MTA has not sought and will not seek any rulings from the Internal Revenue Service with respect to any matter discussed herein. No assurance can be given that the Internal Revenue Service would not assert, or that a court would not sustain, a position contrary to any of the tax characterizations and tax consequences set forth below.

U.S. Holders

As used herein, the term “U.S. Holder” means a beneficial owner of Subseries 2019D-2 Bonds that is (a) an individual citizen or resident of the United States for federal income tax purposes, (b) a corporation, including an entity treated as a corporation for federal income tax purposes, created or organized in or under the laws of the United States or any State thereof (including the District of Columbia), (c) an estate whose income is subject to federal income taxation regardless of its source, or (d) a trust if a court within the United States can exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust. Notwithstanding clause (d) of the preceding sentence, to the extent provided in Treasury regulations, certain trusts in existence on August 20, 1996, and treated as United States persons prior to that date that elect to continue to be treated as United States persons also will be U.S. Holders. In addition, if a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) holds Subseries 2019D-2 Bonds, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner in a partnership (or other entity or arrangement treated as a partnership for federal income tax purposes) that holds Subseries 2019D-2 Bonds, the U.S. Holder is urged to consult its own tax advisor regarding the specific tax consequences of the purchase, ownership and dispositions of the Subseries 2019D-2 Bonds.

Taxation of Interest Generally

Interest on the Subseries 2019D-2 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code and so will be fully subject to federal income taxation. Purchasers will be subject to federal income tax accounting rules affecting the timing and/or characterization of payments received with respect to such Subseries 2019D-2 Bonds. In general, interest paid on the Subseries 2019D-2 Bonds and recovery of any accrued original issue discount and market discount will be treated as ordinary income to a bondholder, and after adjustment for the foregoing, principal payments will be treated as a return of capital to the extent of the U.S. Holder’s adjusted tax basis in the Subseries 2019D-2 Bonds and capital gain to the extent of any excess received over such basis.

Recognition of Income Generally

Section 451(b) of the Code provides that purchasers using an accrual method of accounting for U.S. federal income tax purposes may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such purchaser. In this regard, the IRS issued proposed regulations which provide that, with the exception of certain fees, the rule in section 451(b) will generally not apply to the timing rules for original issue discount and market discount, or to the timing rules

for de minimis original issue discount and market discount. Prospective purchasers of the Subseries 2019D-2 Bonds should consult their own tax advisors regarding the potential applicability of these rules and their impact on the timing of the recognition of income related to the Subseries 2019D-2 Bonds under the Code.

Original Issue Discount

The following summary is a general discussion of certain federal income tax consequences of the purchase, ownership and disposition of Subseries 2019D-2 Bonds issued with original issue discount (Discount Bonds). A Subseries 2019D-2 Bond will be treated as having been issued with an original issue discount if the excess of its “stated redemption price at maturity” (defined below) over its issue price (defined as the initial offering price to the public at which a substantial amount of the Subseries 2019D-2 Bonds of the same maturity have first been sold to the public, excluding bond houses and brokers) equals or exceeds one quarter of one percent of such Subseries 2019D-2 Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (or, in the case of an installment obligation, its weighted average maturity).

A Subseries 2019D-2 Bond’s “stated redemption price at maturity” is the total of all payments provided by the Subseries 2019D-2 Bond that are not payments of “qualified stated interest.” Generally, the term “qualified stated interest” includes stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate or certain floating rates.

In general, the amount of original issue discount includible in income by the initial holder of a Discount Bond is the sum of the “daily portions” of original issue discount with respect to such Discount Bond for each day during the taxable year in which such holder held such Discount Bond. The daily portion of original issue discount on any Discount Bond is determined by allocating to each day in any “accrual period” a ratable portion of the original issue discount allocable to that accrual period.

An accrual period may be of any length, and may vary in length over the term of a Discount Bond, provided that each accrual period is not longer than one year and each scheduled payment of principal or interest occurs at the end of an accrual period. The amount of original issue discount allocable to each accrual period is equal to the difference between (i) the product of the Discount Bond’s adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “adjusted issue price” of a Discount Bond at the beginning of any accrual period is the sum of the issue price of the Discount Bond plus the amount of original issue discount allocable to all prior accrual periods minus the amount of any prior payments on the Discount Bond that were not qualified stated interest payments. Under these rules, holders generally will have to include in income increasingly greater amounts of original issue discount in successive accrual periods.

Holders utilizing the accrual method of accounting may generally, upon election, include in gross income all interest (including stated interest, acquisition discount, original issue discount, de minimis original issue discount, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium) on a Subseries 2019D-2 Bond by using the constant yield method applicable to original issue discount, subject to certain limitations and exceptions.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under “Recognition of Income Generally” above. Prospective purchasers of the Subseries 2019D-2 Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Subseries 2019D-2 Bonds under the Code.

Market Discount

A holder who purchases a Subseries 2019D-2 Bond at a price which includes market discount (i.e., at a purchase price that is less than its adjusted issue price in the hands of an original owner) in excess of a prescribed de minimis amount will be required to recharacterize all or a portion of the gain as ordinary income upon receipt of each scheduled or unscheduled principal payment or upon other disposition. In particular, such holder will generally be required either (a) to allocate each such principal payment to accrued market discount not previously included in income and to recognize ordinary income to that extent and to treat any gain upon sale or other disposition of such a Subseries 2019D-2 Bond as ordinary income to the extent of any remaining accrued market discount or (b) to elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder on or after the first day of the taxable year to which such election applies.

The Code authorizes the Treasury Department to issue regulations providing for the method for accruing market discount on debt instruments the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the legislative history of the Tax Reform Act of 1986 will apply. Under those rules, market discount will be included in income either (a) on a constant interest basis or (b) in proportion to the accrual of stated interest.

A holder of a Subseries 2019D-2 Bond who acquires such Subseries 2019D-2 Bond at a market discount also may be required to defer, until the maturity date of such Subseries 2019D-2 Bond or the earlier disposition in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry a Subseries 2019D-2 Bond in excess of the aggregate amount of interest (including original issue discount) includable in such holder's gross income for the taxable year with respect to such Subseries 2019D-2 Bond. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Subseries 2019D-2 Bond for the days during the taxable year on which the holder held the Subseries 2019D-2 Bond and, in general, would be deductible when such market discount is includable in income. The amount of any remaining deferred deduction is to be taken into account in the taxable year in which the Subseries 2019D-2 Bond matures or is disposed of in a taxable transaction. In the case of a disposition in which gain or loss is not recognized in whole or in part, any remaining deferred deduction will be allowed to the extent gain is recognized on the disposition. This deferral rule does not apply if the bondholder elects to include such market discount in income currently as described above.

Holders that use an accrual method of accounting may be required to include certain amounts in income no later than the time such amounts are reflected on certain financial statements of such holder as discussed under "Recognition of Income Generally" above. Prospective purchasers of the Subseries 2019D-2 Bonds should consult their own tax advisors regarding the potential applicability of this rule and its impact on the timing of the recognition of income related to the Subseries 2019D-2 Bonds under the Code.

Bond Premium

A holder of a Subseries 2019D-2 Bond who purchases such Subseries 2019D-2 Bond at a cost greater than its remaining redemption amount will have amortizable bond premium. If the holder elects to amortize this premium under Section 171 of the Code (which election will apply to all Subseries 2019D-2 Bonds held by the holder on the first day of the taxable year to which the election applies and to all Subseries 2019D-2 Bonds thereafter acquired by the holder), such a holder must amortize the premium using constant yield principles based on the holder's yield to maturity. Amortizable bond premium is generally treated as an offset to interest income, and a reduction in basis is required for amortizable bond premium that is applied to reduce interest payments. Purchasers of Subseries 2019D-2 Bonds who acquire such Subseries 2019D-2 Bonds at a premium should consult with their own tax advisors with respect to federal, state and local tax consequences of owning such Subseries 2019D-2 Bonds.

Surtax on Unearned Income

Section 1411 of the Code generally imposes a tax of 3.8% on the “net investment income” of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and net gain attributable to the disposition of certain property, less certain deductions. U.S. Holders should consult their own tax advisors regarding the possible implications of this provision in their particular circumstances.

Sale or Redemption of Subseries 2019D-2 Bonds

A bondholder’s adjusted tax basis for a Subseries 2019D-2 Bond is the price such holder pays for the Subseries 2019D-2 Bond plus the amount of original issue discount and market discount previously included in income and reduced on account of any payments received on such Subseries 2019D-2 Bond other than “qualified stated interest” and any amortized bond premium. Gain or loss recognized on a sale, exchange or redemption of a Subseries 2019D-2 Bond, measured by the difference between the amount realized and the bondholder’s tax basis as so adjusted, will generally give rise to capital gain or loss if the Subseries 2019D-2 Bond is held as a capital asset (except in the case of Subseries 2019D-2 Bonds acquired at a market discount, in which case a portion of the gain will be characterized as interest and therefore ordinary income).

If the terms of a Subseries 2019D-2 Bond are materially modified, in certain circumstances, a new debt obligation would be deemed “reissued”, or created and exchanged for the prior obligation in a taxable transaction. Among the modifications which may be treated as material are those related to the redemption provisions and, in the case of a nonrecourse obligation, those which involve the substitution of collateral. In addition, the defeasance of a Subseries 2019D-2 Bond under the defeasance provisions of the Indenture could result in a deemed sale or exchange of such Subseries 2019D-2 Bond.

EACH POTENTIAL HOLDER OF SUBSERIES 2019D-2 BONDS SHOULD CONSULT ITS OWN TAX ADVISOR CONCERNING (1) THE TREATMENT OF GAIN OR LOSS ON SALE, REDEMPTION OR DEFEASANCE OF THE SUBSERIES 2019D-2 BONDS, AND (2) THE CIRCUMSTANCES IN WHICH SUBSERIES 2019D-2 BONDS WOULD BE DEEMED REISSUED AND THE LIKELY EFFECTS, IF ANY, OF SUCH REISSUANCE.

Non-U.S. Holders

The following is a general discussion of certain United States federal income tax consequences resulting from the beneficial ownership of Subseries 2019D-2 Bonds by a person other than a U.S. Holder, a former United States citizen or resident, or a partnership or entity treated as a partnership for United States federal income tax purposes (a Non-U.S. Holder).

Subject to the discussion of backup withholding and the Foreign Account Tax Compliance Act (FATCA), payments of principal by MTA or any of its agents (acting in its capacity as agent) to any Non-U.S. Holder will not be subject to federal withholding tax. In the case of payments of interest to any Non-U.S. Holder, however, federal withholding tax will apply unless the Non-U.S. Holder (1) does not own (actually or constructively) 10 percent or more of the voting equity interests of MTA, (2) is not a controlled foreign corporation for United States tax purposes that is related to MTA (directly or indirectly) through stock ownership, and (3) is not a bank receiving interest in the manner described in Section 881(c)(3)(A) of the Code. In addition, either (1) the Non-U.S. Holder must certify on the applicable IRS Form W-8 (series) (or successor form) to MTA, its agents or paying agents or a broker under penalties of perjury that it is not a U.S. person and must provide its name and address, or (2) a securities clearing organization, bank or other financial institution, that holds customers’ securities in the ordinary course of its trade or business and that also holds the Subseries 2019D-2 Bonds must certify to MTA or its agent under penalties of perjury that such statement on the applicable IRS Form W-8 (series) (or successor form) has been received from the Non-U.S. Holder by it or by another financial institution and must furnish the interest payor with a copy.

Interest payments may also be exempt from federal withholding tax depending on the terms of an existing Federal Income Tax Treaty, if any, in force between the U.S. and the resident country of the Non-U.S. Holder. The U.S. has entered into an income tax treaty with a limited number of countries. In addition, the

terms of each treaty differ in their treatment of interest and original issue discount payments. Non-U.S. Holders are urged to consult their own tax advisor regarding the specific tax consequences of the receipt of interest payments, including original issue discount. A Non-U.S. Holder that does not qualify for exemption from withholding as described above must provide MTA or its agent with documentation as to his, her, or its identity to avoid the U.S. backup withholding tax on the amount allocable to a Non-U.S. Holder. The documentation may require that the Non-U.S. Holder provide a U.S. tax identification number.

If a Non-U.S. Holder is engaged in a trade or business in the United States and interest on a Subseries 2019D-2 Bond held by such holder is effectively connected with the conduct of such trade or business, the Non-U.S. Holder, although exempt from the withholding tax discussed above (provided that such holder timely furnishes the required certification to claim such exemption), may be subject to United States federal income tax on such interest in the same manner as if it were a U.S. Holder. In addition, if the Non-U.S. Holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (subject to a reduced rate under an applicable treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. For purposes of the branch profits tax, interest on a Subseries 2019D-2 Bond will be included in the earnings and profits of the holder if the interest is effectively connected with the conduct by the holder of a trade or business in the United States. Such a holder must provide the payor with a properly executed IRS Form W-8ECI (or successor form) to claim an exemption from United States federal withholding tax.

Generally, any capital gain realized on the sale, exchange, retirement or other disposition of a Subseries 2019D-2 Bond by a Non-U.S. Holder will not be subject to United States federal income or withholding taxes if (1) the gain is not effectively connected with a United States trade or business of the Non-U.S. Holder, and (2) in the case of an individual, the Non-U.S. Holder is not present in the United States for 183 days or more in the taxable year of the sale, exchange, retirement or other disposition, and certain other conditions are met.

For newly issued or reissued obligations, such as the Subseries 2019D-2 Bonds, FATCA imposes U.S. withholding tax on interest payments and, for dispositions after December 31, 2018, gross proceeds of the sale of the Subseries 2019D-2 Bonds paid to certain foreign financial institutions (which is broadly defined for this purpose to generally include non-U.S. investment funds) and certain other non-U.S. entities if certain disclosure and due diligence requirements related to U.S. accounts or ownership are not satisfied, unless an exemption applies. An intergovernmental agreement between the United States and an applicable non-U.S. country may modify these requirements. In any event, bondholders or beneficial owners of the Subseries 2019D-2 Bonds shall have no recourse against MTA, nor will MTA be obligated to pay any additional amounts to “gross up” payments to such persons, as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the Subseries 2019D-2 Bonds. However, it should be noted that on December 13, 2018, the IRS issued Proposed Treasury Regulation Section 1.1473-1(a)(1) which proposes to remove gross proceeds from the definition of “withholdable payment” for this purpose.

Non-U.S. Holders should consult their own tax advisors with respect to the possible applicability of federal withholding and other taxes upon income realized in respect of the Subseries 2019D-2 Bonds.

Information Reporting and Backup Withholding

For each calendar year in which the Subseries 2019D-2 Bonds are outstanding, MTA, its agents or paying agents or a broker is required to provide the IRS with certain information, including a holder’s name, address and taxpayer identification number (either the holder’s Social Security number or its employer identification number, as the case may be), the aggregate amount of principal and interest paid to that holder during the calendar year and the amount of tax withheld, if any. This obligation, however, does not apply with respect to certain U.S. Holders, including corporations, tax-exempt organizations, qualified pension and profit sharing trusts, and individual retirement accounts and annuities.

If a U.S. Holder subject to the reporting requirements described above fails to supply its correct taxpayer identification number in the manner required by applicable law or under-reports its tax liability, MTA, its agents or paying agents or a broker may be required to make “backup” withholding of tax on each payment of interest or principal on the Subseries 2019D-2 Bonds. This backup withholding is not an

additional tax and may be credited against the U.S. Holder's federal income tax liability, provided that the U.S. Holder furnishes the required information to the IRS.

Under current Treasury Regulations, backup withholding and information reporting will not apply to payments of interest made by MTA, its agents (in their capacity as such) or paying agents or a broker to a Non-U.S. Holder if such holder has provided the required certification that it is not a U.S. person (as set forth in the second paragraph under "Non-U.S. Holders" above), or has otherwise established an exemption (provided that neither MTA nor its agent has actual knowledge that the holder is a U.S. person or that the conditions of an exemption are not in fact satisfied).

Payments of the proceeds from the sale of a Subseries 2019D-2 Bond to or through a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, information reporting (but not backup withholding) may apply to those payments if the broker is one of the following: (i) a U.S. person; (ii) a controlled foreign corporation for U.S. tax purposes; (iii) a foreign person 50-percent or more of whose gross income from all sources for the three-year period ending with the close of its taxable year preceding the payment was effectively connected with a United States trade or business; or (iv) a foreign partnership with certain connections to the United States.

Payment of the proceeds from a sale of a Subseries 2019D-2 Bond to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its taxpayer identification number or otherwise establishes an exemption from information reporting and backup withholding.

The preceding federal income tax discussion is included for general information only and may not be applicable depending upon a holder's particular situation. Holders should consult their tax advisors with respect to the tax consequences to them of the purchase, ownership and disposition of the Subseries 2019D-2 Bonds, including the tax consequences under federal, state, local, foreign and other tax laws and the possible effects of changes in those tax laws.

State Taxes

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Subseries 2019D-2 Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. Co-Bond Counsel expresses no opinion as to other State, City or local tax consequences arising with respect to the Subseries 2019D-2 Bonds nor as to the taxability of the Subseries 2019D-2 Bonds or the income therefrom under the laws of any jurisdiction other than the State. See **Attachment 3-2** to this official statement for the form of the opinion that Co-Bond Counsel each expect to deliver when the Subseries 2019D-2 Bonds are delivered.

Changes in Law and Post Issuance Events

Legislative or administrative actions and court decisions, at either the federal or state level, could have an impact on the inclusion in gross income of interest on the Subseries 2019D-2 Bonds for federal or state income tax purposes, and thus on the value or marketability of the Subseries 2019D-2 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or otherwise. It is not possible to predict whether any such legislative or administrative actions or court decisions will occur or have an adverse impact on the federal or state income tax treatment of holders of the Subseries 2019D-2 Bonds. Prospective purchasers of the Subseries 2019D-2 Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Subseries 2019D-2 Bonds.

IN ALL EVENTS, ALL INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE FEDERAL, STATE, LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE SUBSERIES 2019D-2 BONDS.

CONSIDERATIONS FOR ERISA AND OTHER U.S. BENEFIT PLAN INVESTORS

The Employee Retirement Income Security Act of 1974, as amended (ERISA), imposes certain fiduciary obligations and prohibited transaction restrictions on employee pension and welfare benefit plans subject to Title I of ERISA (ERISA Plans). Section 4975 of the Code imposes essentially the same prohibited transaction restrictions on tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under Section 501(a) of the Code, other than governmental and church plans as defined herein (Qualified Retirement Plan”), and on Individual Retirement Accounts (IRAs) described in Section 408(b) of the Code (collectively, Tax-Favored Plans). Certain employee benefit plans such as governmental plans (as defined in Section 3(32) of ERISA) (Governmental Plans), and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA) (Church Plans), are not subject to ERISA requirements. Additionally, such Governmental and Church Plans are not subject to the requirements of Section 4975 of the Code but may be subject to applicable federal, state or local law (Similar Laws) which is, to a material extent, similar to the foregoing provisions of ERISA or the Code. Accordingly, assets of such plans may be invested in the Series 2019D Bonds without regard to the ERISA and Code considerations described below, subject to the provisions of Similar Laws.

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan’s investment be made in accordance with the documents governing the plan, Section 406 of ERISA and Section 4975 of the Code prohibit a broad range of transactions involving assets of ERISA Plans and Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, Benefit Plans) and persons who have certain specified relationships to the Benefit Plans (Parties In Interest or Disqualified Persons), unless a statutory or administrative exemption is available. The definitions of “Party in Interest” and “Disqualified Person” are expansive. While other entities may be encompassed by these definitions, they include, most notably: (1) fiduciary with respect to a plan; (2) a person providing services to a plan; (3) an employer or employee organization any of whose employees or members are covered by the plan; and (4) the owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory or administrative exemption is available. Without an exemption an IRA owner may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Series 2019D Bonds might be deemed to constitute prohibited transactions under ERISA and Section 4975 of the Code if assets of MTA were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of Labor (the Plan Assets Regulation), the assets of MTA would be treated as plan assets of a Benefit Plan for the purposes of ERISA and Section 4975 only of the Code if the Benefit Plan acquires an “equity interest” in MTA and none of the exceptions contained in the Plan Assets Regulation is applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument which is treated as indebtedness under applicable local law and which has no substantial equity features. Although there can be no assurances in this regard, it appears that the Series 2019D Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation. This determination is based upon the traditional debt features of the Series 2019D Bonds, including the reasonable expectation of purchasers of Series 2019D Bonds that the Series 2019D Bonds will be repaid when due, traditional default remedies, as well as the absence of conversion rights, warrants and other typical equity features. The debt treatment of the Series 2019D Bonds for ERISA purposes could change subsequent to issuance of the Series 2019D Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Series 2019D Bonds or a characterization of the Series 2019D Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Series 2019D Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Series 2019D Bonds are treated as an equity interest for such purposes, though, the acquisition or holding of Series 2019D Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if MTA or the Issuing and Paying Agent, or any of their

respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan.

Most notably, ERISA and the Code generally prohibit the lending of money or other extension of credit between an ERISA Plan or Tax-Favored Plan and a Party in Interest or a Disqualified Person, and the acquisition of any of the Series 2019D Bonds by a Benefit Plan would involve the lending of money or extension of credit by the Benefit Plan. In such a case, however, certain exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Series 2019D Bond. Included among these exemptions are: Prohibited Transaction Class Exemption (PTCE) 96-23, regarding transactions effected by certain “in-house asset managers”; PTCE 90-1, regarding investments by insurance company pooled separate accounts; PTCE 95-60, regarding transactions effected by “insurance company general accounts”; PTCE 91-38, regarding investments by bank collective investment funds; and PTCE 84-14, regarding transactions effected by “qualified professional asset managers.” Further, the statutory exemption in Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provides for an exemption for transactions involving “adequate consideration” with persons who are Parties in Interest or Disqualified Persons solely by reason of their (or their affiliate’s) status as a service provider to the Benefit Plan involved and none of whom is a fiduciary with respect to the Benefit Plan assets involved (or an affiliate of such a fiduciary). There can be no assurance that any class or other exemption will be available with respect to any particular transaction involving the Series 2019D Bonds, or that, if available, the exemption would cover all possible prohibited transactions.

By acquiring a Series 2019D Bond (or interest therein), each purchaser and transferee (and if the purchaser or transferee is a plan, its fiduciary) is deemed to (a) represent and warrant that either (i) it is not acquiring the Series 2019D Bond (or interest therein) with the assets of a Benefit Plan, Governmental plan or Church plan; or (ii) the acquisition and holding of the Series 2019D Bond (or interest therein) will not give rise to a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or Similar Laws, and (b) acknowledge and agree that a Benefit Plan may not purchase the Series 2019D Bonds (or any interest therein) at any time that the ratings on the Series 2019D Bonds are withdrawn or downgraded to below investment grade or the Series 2019D Bonds have been characterized as other than indebtedness for applicable local law purposes. A purchaser or transferee who acquires Series 2019D Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

In addition, each purchaser and each transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) of a Series 2019D Bond that is a Benefit Plan is deemed to represent and warrant that: (a) the decision to acquire the Series 2019D Bonds was made by the plan fiduciary; (b) the plan fiduciary is independent of MTA, the Trustee, and Underwriters; (c) the plan fiduciary meets the requirements of 29 C.F.R. § 2510.3 21(c)(1) and specifically is either a bank as defined in Section 202 of the Investment Advisers Act of 1940 or similar institution that is regulated and supervised and subject to periodic examination by a U.S. state or U.S. federal agency; an insurance carrier which is qualified under the laws of more than one U.S. state to perform the services of managing, acquiring or disposing of assets of a Benefit Plan; an investment adviser registered under the Investment Advisers Act of 1940 or, if not registered as an investment adviser under the Investment Advisers Act by reason of paragraph (1) of Section 203A of the Investment Advisers Act, is registered as an investment adviser under the laws of the U.S. state in which it maintains its principal office and place of business; a broker dealer registered under the Exchange Act; or holds, or has under its management or control, total assets of at least \$50 million (provided that this clause shall not be satisfied if the plan fiduciary is an individual directing his or her own individual plan account or is a relative of such individual); (d) the plan fiduciary is capable of evaluating investment risks independently, both in general and with regard to particular transactions, and investment strategies, including the purchase or transfer of the Series 2019D Bonds; (e) the plan fiduciary is a “fiduciary” with respect to the plan within the meaning of Section (21) of ERISA, Section 4975 of the Code, or both, and is responsible for exercising independent judgment in evaluating the acquisition, transfer or holding of the Series 2019D Bonds; (f) none of MTA, the Trustee, or Underwriters has exercised any authority to cause the Benefit Plan to invest in the Series 2019D Bonds or to negotiate the terms of the Benefit Plan’s investment in the Series 2019D Bonds; and (g) the plan fiduciary has been informed: (1) that none of MTA, the Trustee, or Underwriters are undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the plan’s acquisition or transfer

of the Series 2019D Bonds and (2) of the existence and nature of MTA's, the Trustee's, or Underwriters' financial interests in the Benefit Plan's acquisition or transfer of the Series 2019D Bonds.

Neither MTA nor the Trustee is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Series 2019D Bonds by any Benefit Plan.

Because MTA, the Trustee or any of their respective affiliates may receive certain benefits in connection with the sale of the Series 2019D Bonds, the purchase of the Series 2019D Bonds using plan assets of a Benefit Plan over which any of such parties has investment authority or provides investment advice for a direct or indirect fee may be deemed to be a violation of the prohibited transaction rules of ERISA or Section 4975 of the Code or Similar Laws for which no exemption may be available. Accordingly, any investor considering a purchase of Series 2019D Bonds using plan assets of a Benefit Plan should consult with its counsel if MTA or the Trustee or any of their respective affiliates has investment authority or provides investment advice for a direct or indirect fee with respect to such assets or is an employer maintaining or contributing to the Benefit Plan.

Any ERISA Plan fiduciary considering whether to purchase the Series 2019D Bonds on behalf of an ERISA Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and Section 4975 of the Code to such an investment and the availability of any of the exemptions referred to above. Persons responsible for investing the assets of Tax-Favored Plans that are not ERISA Plans should seek similar counsel with respect to the prohibited transaction provisions of the Code and the applicability of Similar Laws.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2019D Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

- all public officers and bodies of the State and all municipalities and political subdivisions in the State,
- all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business,
- all administrators, guardians, executors, trustees and other fiduciaries, and
- all other persons whatsoever who are now or who may hereafter be authorized to invest in the obligations of the State.

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Series 2019D Bonds.

LITIGATION

There is no pending litigation concerning the Series 2019D Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to MTA, or its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Series 2019D Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the ADS under the caption "LITIGATION," as that filing may be amended or supplemented to date.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Backstrom McCarley Berry & Co., LLC are MTA's Co-Financial Advisors for the Series 2019D Bonds. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the competitive bidding and pricing of the Series 2019D Bonds. The Co-Financial Advisors have not independently verified the information contained in this official statement and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

After competitive bidding on October 31, 2019, the Subseries 2019D-1 Bonds were awarded to BofA Securities Inc. (the Underwriter) for an aggregate purchase price of \$162,734,716.80, reflecting an original issue premium of \$22,566,262.40 and an underwriter's discount of \$151,545.60; and the Subseries 2019D-2 Bonds were awarded to the Underwriter for an aggregate purchase price of \$100,684,844.55, reflecting a net original issue discount of \$113,587.20, an underwriter's discount of \$211,978.25, and an insurance premium of \$414,590.00. The Underwriter will reoffer such Series 2019D Bonds at the public offering prices or yields set forth on the inside cover page.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

The Series 2019D Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2019D Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriter.

In addition, the Underwriter may have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2019D Bonds at the original issue prices. Such agreements generally provide that the Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriter and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriter and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Series 2019D Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings
33 Whitehall Street
New York, New York 10004
(212) 908-0500

Kroll Bond Ratings Agency
805 Third Avenue, 29th Floor
New York, New York 10022
(212) 702-0707

Moody's Investors Service, Inc.
7 World Trade Center
New York, New York 10007
(212) 553-0300

S&P Global Ratings
55 Water Street
New York, New York 10041
(212) 438-2000

MTA has furnished information to each rating agency rating the bonds being offered, including information not included in this official statement, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the bonds.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the bonds being offered are subject to the approval of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA. The form of the opinions of Co-Bond Counsel in connection with the issuance of the Series 2019D Bonds are **Attachment 3-1** and **Attachment 3-2** to this official statement.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, Special Disclosure Counsel to MTA.

Certain legal matters regarding MTA will be passed upon by its General Counsel.

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, MTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA's annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA has undertaken to file such information (the Annual Information) with EMMA.

MTA has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA is also obligated to deliver, in a timely manner not in excess of ten business days after the occurrence of each event, notices of the following events to EMMA:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds or other material events affecting the tax status of the bonds;

- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the securities, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation, or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA, any of which reflect financial difficulties.

MTA has not failed to comply, in any material respect, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

MTA is not responsible for any failure by EMMA or any nationally recognized municipal securities information repository to timely post disclosure submitted to it by MTA or any failure to associate such submitted disclosure to all related CUSIPs.

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FURTHER INFORMATION

MTA may place a copy of this official statement on MTA's website at <http://web.mta.info/mta/investor/>. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA assumes no liability or responsibility for errors or omissions contained on any website. Further, MTA disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Director, Finance

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ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2019D Bonds. The Series 2019D Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2019D Bond will be issued for each maturity of the Series 2019D Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2019D Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has an S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Series 2019D Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019D Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2019D Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019D Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019D Bonds, except in the event that use of the book-entry-only system for the Series 2019D Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2019D Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019D Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019D Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019D Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019D Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019D Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2019D Bond documents. For example, Beneficial Owners of the Series 2019D Bonds may wish to ascertain that the nominee holding the Series 2019D Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2019D Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019D Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2019D Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2019D Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2019D Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2019D Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2019D Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT MTA BELIEVES TO BE RELIABLE, BUT MTA TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Series 2019D Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2019 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Series 2019D Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2019, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

The required Annual Information shall consist of at least the following:

1. a description of the systems operated by the Related Transportation Entities and their operations,
2. a description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities,
3. operating data of the Related Transportation Entities, including data of the type included in the MTA Annual Disclosure Statement (the **ADS**) under the following captions:
 - a. "TRANSIT SYSTEM,"
 - b. "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership,"
 - c. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA New York City Transit and MaBSTOA,"
 - d. "COMMUTER SYSTEM,"
 - e. "RIDERSHIP AND FACILITIES USE – Commuter System Ridership,"
 - f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Commuter System,"
 - g. "MTA BUS COMPANY,"
 - h. "RIDERSHIP AND FACILITIES USE – MTA Bus Ridership," and

- i. “EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA Bus.”
4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in the **ADS** under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”
5. a presentation of the financial results of the Related Transportation Entities prepared in accordance with GAAP for the most recent year for which that information is then currently available (currently, MTA New York City Transit prepares consolidated financial statements and MTA prepares consolidated financial statements),
6. a presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from pledged revenues,
7. information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution,
8. financial information of the type included in this official statement in **Table 2a** and **Table 2b** under the caption “SOURCES OF PAYMENT—Pledged Transportation Revenues” and included in the **ADS** under the caption “REVENUES OF THE RELATED ENTITIES,”
9. material litigation related to any of the foregoing, and
10. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Related Entities.

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific cross-reference to any other documents which have been filed with (a) EMMA or (b) the Securities and Exchange Commission (the SEC). Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to EMMA.

MTA will undertake, for the benefit of holders of the Series 2019D Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this official statement with respect to the Series 2019D Bonds, and
2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of any of the Related Transportation Entities.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2019D Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2019D Bonds) may enforce, for the equal benefit and protection

of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2019D Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2019D Bonds at the time Outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2019D Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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ATTACHMENT 3-1

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon delivery of the Subseries 2019D-1 Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, propose to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (“MTA”) and other proofs submitted to us relative to the issuance of \$140,320,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Refunding Green Bonds, Subseries 2019D-1 (Climate Bond Certified) (the “Series 2019D-1 Bonds”).

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2019D-1 Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the “State”), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the “Issuer Act”), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled “General Resolution Authorizing Transportation Revenue Obligations” (the “General Resolution”), as supplemented by the Multiple Series Transportation Revenue Refunding Bond Supplemental Resolution adopted on December 12, 2018 (collectively with the General Resolution, the “Resolution”).

The Series 2019D-1 Bonds are dated, mature and are payable and bear interest all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2019D-1 Bonds in order that interest on the Series 2019D-1 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the “Arbitrage and Use of Proceeds Certificate”), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2019D-1 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2019D-1 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2019D-1 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2019D-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2019D-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact

contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2019D-1 Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2019D-1 Bonds as executed and, in our opinion, the form of said Series 2019D-1 Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2019D-1 Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2019D-1 Bonds are not a debt of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution on a parity as to security and payment with the Series 2019D-1 Bonds.

4. MTA, the holders of the Series 2019D-1 Bonds, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2019D-1 Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2019D-1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2019D-1 Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax imposed under the Code.

7. Under existing statutes, interest on the Series 2019D-1 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019D-1 Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2019D-1 Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2019D-1 Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2019D-1 Bonds and express no opinion with respect thereto.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

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ATTACHMENT 3-2

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon delivery of the Subseries 2019D-2 Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, propose to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York
Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (“MTA”) and other proofs submitted to us relative to the issuance of \$101,425,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Refunding Green Bonds, Subseries 2019D-2 (Climate Bond Certified) (Federally Taxable) (the “Series 2019D-2 Bonds”).

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2019D-2 Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the “State”), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the “Issuer Act”), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled “General Resolution Authorizing Transportation Revenue Obligations” (the “General Resolution”), as supplemented by the Multiple Series Transportation Revenue Refunding Bond Supplemental Resolution adopted on December 12, 2018 (collectively with the General Resolution, the “Resolution”).

The Series 2019D-2 Bonds are dated, mature and are payable and bear interest all as provided in the Resolution.

We have examined one of said Series 2019D-2 Bonds as executed and, in our opinion, the form of said Series 2019D-2 Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution.

3. The Series 2019D-2 Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and

are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2019D-2 Bonds are not a debt of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution on a parity as to security and payment with the Series 2019D-2 Bonds.

4. MTA, the holders of the Series 2019D-2 Bonds, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2019D-2 Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes, interest on the Series 2019D-2 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraph 6, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019D-2 Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2019D-2 Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2019D-2 Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2019D-2 Bonds and express no opinion with respect thereto.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

ATTACHMENT 4

BONDS TO BE REFUNDED

The following table provides information regarding the outstanding Transportation Revenue Bonds expected to be refunded with proceeds of the Series 2019D Bonds. The refunding is contingent upon the delivery of the Series 2019D Bonds.

<u>Series</u>	<u>Dated Date</u>	<u>Refunded Par Amount</u>	<u>Remaining Outstanding Par Amount</u>	<u>Final Maturity (November 15)</u>	<u>Redemption Date (November 15)</u>	<u>Redemption Price</u>	<u>CUSIP Number*</u>
2008B-4	11/17/2014	\$111,220,000	\$ 0	2030	2019	100%	59259R 5Q3
2012D	8/20/2012	100,000,000	718,540,000 [†]	2027	2019	100	59259Y RG6
2015D-2	9/17/2015	50,665,000	0	2034	2019	100	59259Y 6X2

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Refunded Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.

[†] Remaining outstanding par amount of the Series 2012D Bonds reflects additional maturities, identified by other CUSIP numbers.

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ATTACHMENT 5

INFORMATION RELATING TO ASSURED GUARANTY MUNICIPAL CORP. AND FORM OF BOND INSURANCE POLICY

BOND INSURANCE POLICY

Concurrently with the issuance of the Subseries 2019D-2 Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy (the “Policy”) for the Subseries 2019D-2 Bonds maturing on November 15, 2046 and November 15, 2048 (the “Insured Bonds”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as Attachment 5 to this official statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 13, 2019, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

On June 27, 2019, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On December 21, 2018, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Capitalization of AGM

At June 30, 2019:

- The policyholders' surplus of AGM was approximately \$2,530 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately \$1,082 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,853 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this official statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2018 (filed by AGL with the SEC on March 1, 2019);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2019 (filed by AGL with the SEC on May 10, 2019); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019 (filed by AGL with the SEC on August 8, 2019).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Subseries 2019D-2 Bonds shall be deemed incorporated by reference into this official statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this official statement.

Any information regarding AGM included herein under the caption "DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Bond Insurance", this Attachment 5, or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously

included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this official statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Subseries 2019D-2 Bonds or the advisability of investing in the Subseries 2019D-2 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this official statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “DESCRIPTION OF SUBSERIES 2019D-2 BONDS – Bond Insurance” and this Attachment 5.



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

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