



# New York State Liquidity Provider Costs

## Introduction:

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

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

Other forms of State-supported variable rate debt, including Auction Rate Securities, do not require Liquidity Facilities. The following chart provides information on liquidity providers and cost for State VRDBs.

## Table of Contents: A. State-Supported Liquidity Costs

NEW YORK STATE DIVISION OF THE BUDGET

LIQUIDITY INFORMATION

March 31, 2024

<u>Issuer</u>	<u>Series</u>	<u>Amount Outstanding</u>	<u>Liquidity Provider</u>	<u>Liquidity Type</u>	<u>Liquidity Fee (bp)</u>	<u>Liquidity Renewal Date</u>
ESDC	PIT 2004A-3C	74,615,000	JPMorgan Chase Bank	SBPA	45	06/05/26
<b>ESDC</b>	Empire State Development Corporation					
<b>PIT</b>	Personal Income Tax					
<b>SBPA</b>	Standby Bond Purchase Agreement					