



Report to the Finance Committee

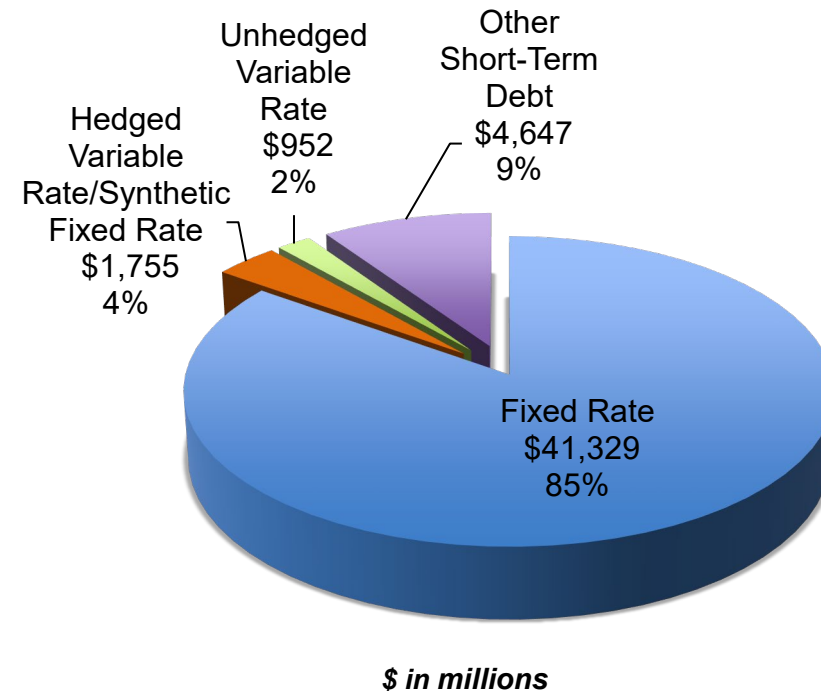
Annual Report on Variable Rate Debt

MTA Finance Department
April 27, 2026



MTA Uses Variable Rate and Shorter-Duration Debt to Access Lower Short-End Yields

- In aggregate, variable rate and shorter-term/intermediate debt structures account for \$7.4 billion (15%) of the portfolio
- Variable rate debt is generally debt with nominal long-term maturities that carry interest rates that are reset on a periodic basis (e.g. daily, weekly, etc.) and change in accordance with changes in market interest rates and credit quality of debt
- Variable rate debt accounts for 6% of the portfolio. Unhedged variable rate debt is 2%, which is well within the 25% limit set in the MTA's Variable Rate Debt policy
- 65% of outstanding variable rate bonds are hedged through payment agreements designed to reduce net borrowing costs and/or reduce interest rate volatility

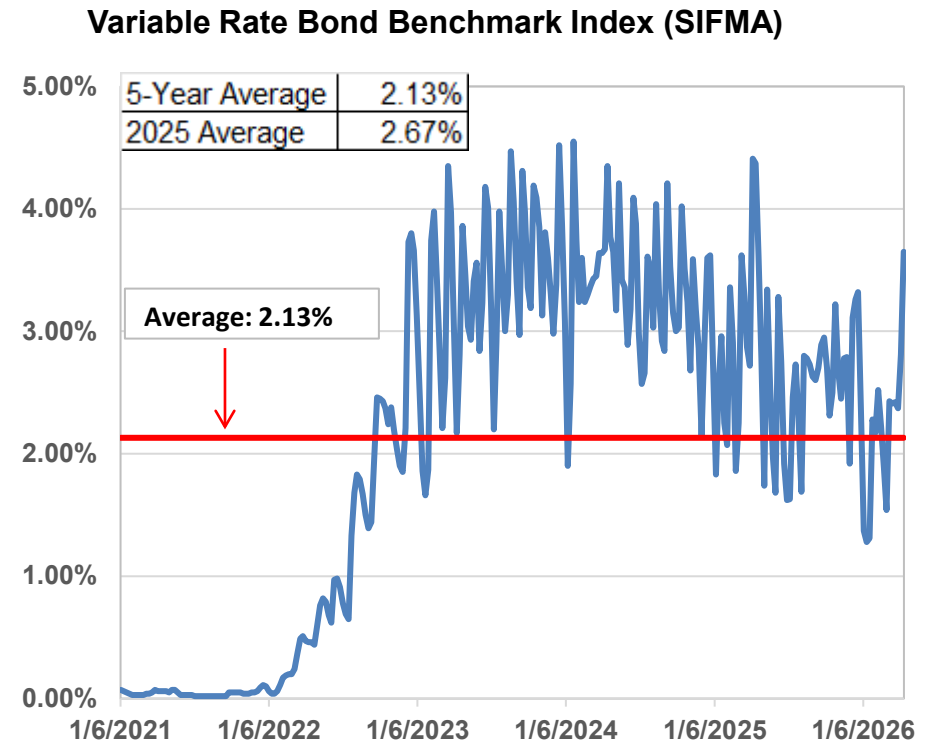
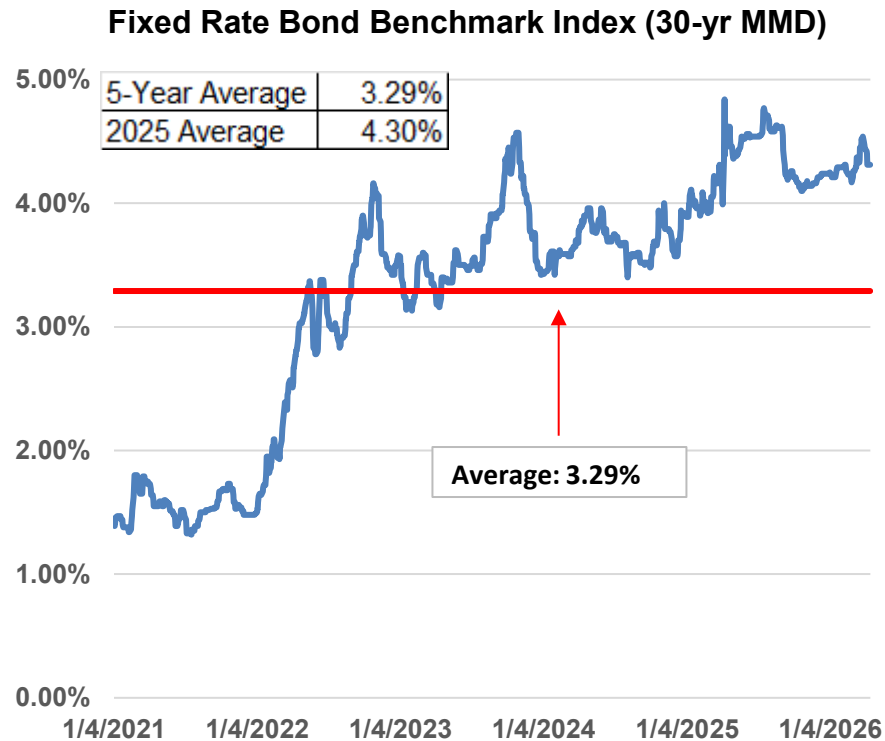


Notes:

- (1) Other Short-Term Debt includes \$2.98 billion Bond Anticipation Notes, \$1.3 billion Fixed Rate Balloon Obligations, and \$367 million Term Rate bonds which have a fixed rate for a defined period (until the mandatory tender date) but do not have a fixed rate for the entire life of the bonds.
- (2) Excludes \$688.7 million Hudson Rail Yard Trust Obligations, and \$161 million Subordinated Contract Obligation
- (3) Data as of 4/27/2026



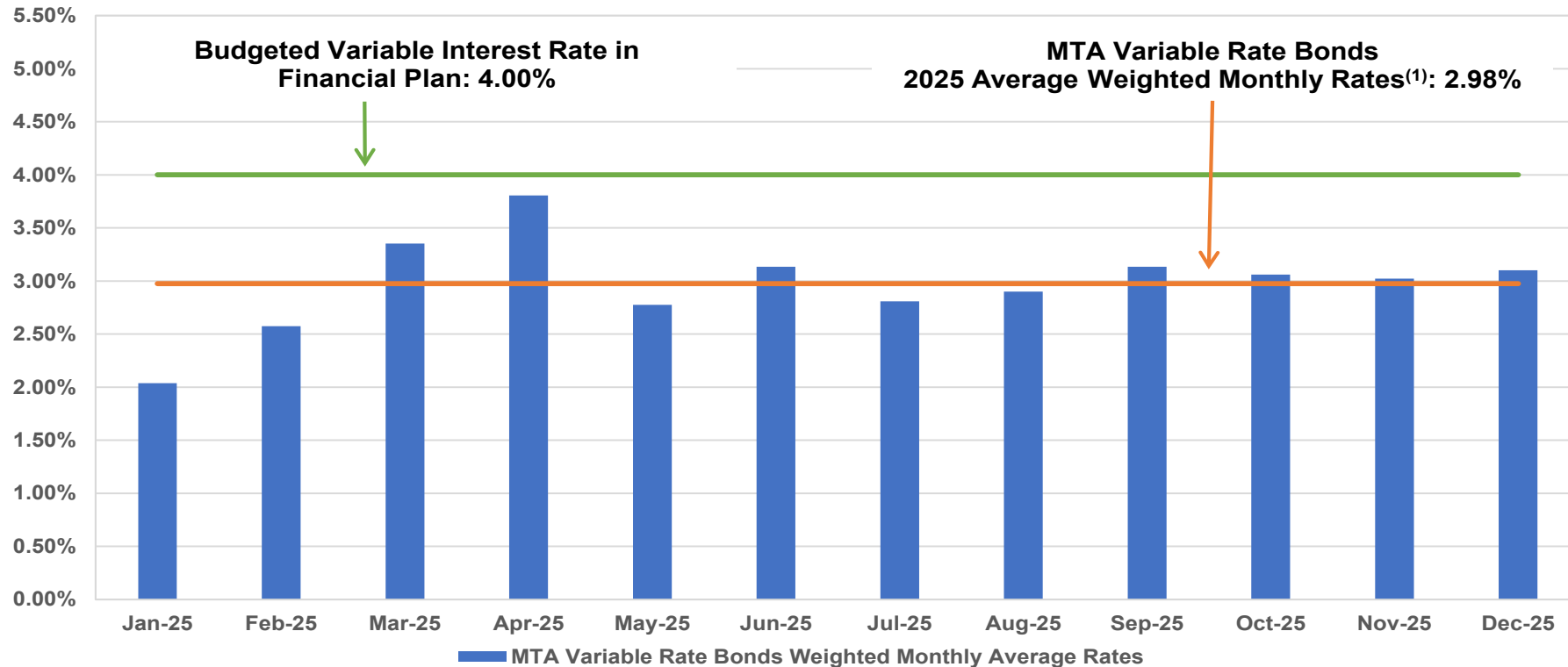
Improved Variable Rate Benefit and Continued Volatility in 2025



- In 2025, the average benefit between short-term rates (SIFMA) and long-term rates (MMD) widened to 1.63% with 30-year MMD generally on the rise for most of 2025
- Short-term rates also continued to experience greater volatility driven by significant periodic inflows and outflows of assets into the market for tax-exempt variable rate securities



2025 Variable Rate Bonds Came in Under Budget



2025 Performance: MTA's variable rate bonds weighted monthly average rates fluctuated significantly in the first half of 2025, then hovered around the average annual rate in the remainder of the year. The Average Weighted Monthly Rate in 2025 was 2.98%⁽¹⁾, below the MTA's budgeted variable interest rate of 4% in the Financial Plan.

2026 YTD Performance: MTA's variable rate bonds weighted monthly average rates started the year lower in 2026 but were on a rising trend through April 15, 2026. The Average Weighted Monthly Rate during the period was 2.72%⁽¹⁾

Notes:

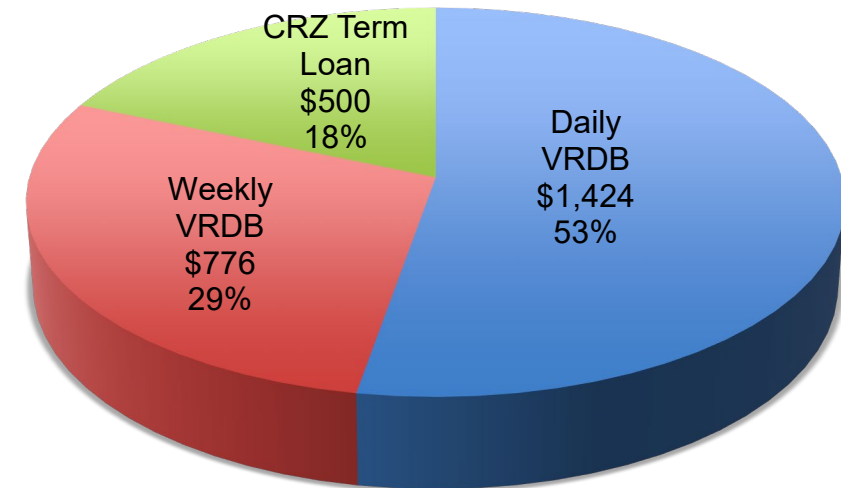
(1) Weighted Monthly Average Rates are inclusive of remarketing and LOC fees and based on outstanding variable rate bonds as of April 15, 2026

Appendix



81% of MTA's Variable Rate Debt Portfolio is Structured as Variable Rate Demand Bonds

- Variable rate demand bonds (“VRDBs”), \$2.2 billion outstanding
 - Interest rate is determined daily or weekly, depending on the interest rate mode; remarketing agent markets bonds tendered, and sets the interest rate on each reset date
 - VRDBs are supported by bank Letters of Credit (LOCs)
- Variable rate demand bonds are supported by a diversified portfolio of 6 banks and 8 remarketing agents, helping reduce reliance on any single provider and enhancing market access, liquidity, and financing flexibility
- \$500 million CRZ Tolling Program Loan
 - Tax-exempt term loan with a floating interest rate (SIFMA + fixed spread)



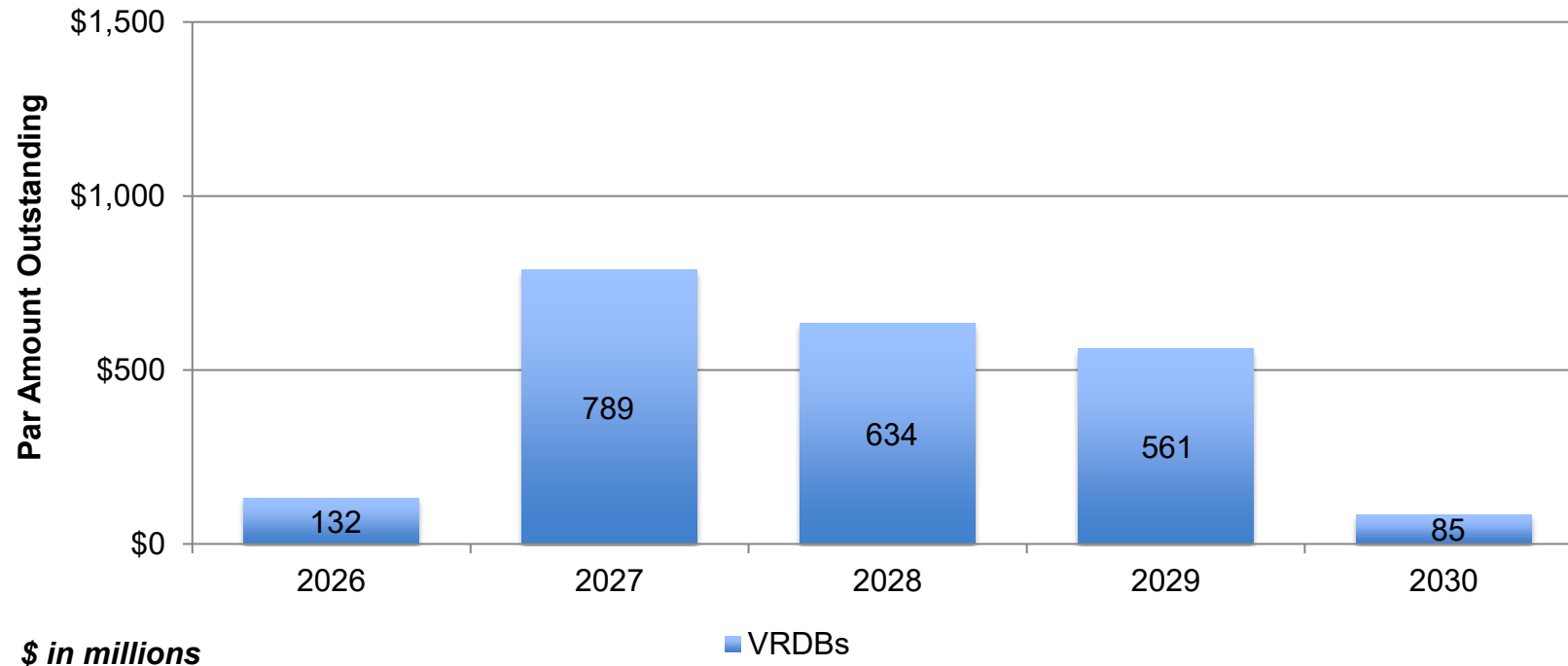
\$ in millions

Notes:

(1) Data as of 4/27/2026



LOC Expiration Risk is Effectively Diversified to Reduce Concentration Risk



2026 Calendar: \$132 million VRDBs with expiring LOCs for the remainder of 2026; \$173 million completed to date

Notes:

(1) Data as of 4/27/2026

(2) \$10 million of outstanding VRDBs and \$7 million of outstanding FRNs are expected to be paid off at maturity and are excluded from the chart



Outstanding Counterparty Exposure is Diversified Across Multiple Counterparties

Swap Counterparty	Ratings Moody's/S&P/Fitch	Notional Amount (\$000)	% of Total Notional	Mark-to Market (\$000)
AIG Financial Products ⁽¹⁾	Baa1/A-/A-	\$60,980	4%	-\$2,991
Bank of New York	Aa2/AA-/AA	\$180,435	10%	-\$4,523
BNP Paribas ⁽²⁾	A1/A+/AA-	\$172,700	10%	-\$4,102
Citibank NA	Aa3/A+/A+	\$172,700	10%	-\$4,102
JP Morgan Chase Bank NA	Aa2/AA-/AA	\$726,275	42%	-\$42,556
UBS	Aa2/A+/AA-	\$355,640	20%	-\$13,074
US Bank NA	A2/A+/A+	\$43,138	2%	-\$799
Wells Fargo Bank NA	Aa2/A+/AA-	\$43,138	2%	-\$799
Total		\$1,755,005		-\$72,948

- Mark-to-Market (MTM) values represent the theoretical mid-market termination amounts as of a given valuation date and do not impact capital or operating budgeting. MTM of the MTA swap portfolio improved by over 15% over the last year from a negative \$86 million

Notes:

¹ Guaranteed by AIG Inc. (AIG Financial Products Corp. parent company).

² Guaranteed by BNP Paribas

Totals may not add due to rounding