

NEW ISSUE AND REFUNDING
BOOK ENTRY ONLY

RATING: Moody's: "Aaa"
(See "RATING" herein)

In the opinion of Co-Bond Counsel and assuming compliance with certain covenants and procedures described herein, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds will be excludable from the gross income of the owners thereof for federal income tax purposes. Co-Bond Counsel are also of the opinion that (i) interest on the Series 1999A Bonds and the Series 1999B-2 Refunding Bonds will be a specific preference item for purposes of computing the alternative minimum tax for individuals and certain corporations, and (ii) interest on the Series 1999B-1 Refunding Bonds will not be a specific preference item for purposes of computing the alternative minimum tax for individuals and certain corporations. Co-Bond Counsel are further of the opinion that, pursuant to the Act, the Series 1999A Bonds and the income thereof are exempt from all taxation in the State of Louisiana and, pursuant to the Refunding Act, the Series 1999B Refunding Bonds and the income therefrom are exempt from all taxation by the State of Louisiana or any political subdivision thereof. See "TAX EXEMPTION" herein for a further discussion of certain tax matters.

\$29,999,872.50

THE FINANCE AUTHORITY OF NEW ORLEANS

\$12,000,000

**Single Family Mortgage Revenue Bonds
Series 1999A (AMT)**

\$17,999,872.50

**Single Family Mortgage Revenue
Refunding Bonds**

\$ 2,744,872.50 Series 1999B-1 (Non-AMT)

\$15,255,000 Series 1999B-2 (AMT)

Dated: October 1, 1999 for the Current Interest Bonds
Date of Delivery for the Capital Appreciation Bonds

Due: As shown on inside cover

The Finance Authority of New Orleans (formerly the New Orleans Home Mortgage Authority) (the "Authority") is issuing the above captioned bonds (collectively, the "Bonds"), pursuant to and secured by a Trust Indenture dated as of September 1, 1995 (the "Master Indenture"), as supplemented and amended by a Tenth Series Supplemental Indenture dated as of October 1, 1999 (the "Supplemental Indenture," and, together with the Master Indenture, the "Indenture"), each by and between the Authority and Bank One Trust Company, NA, New Orleans, Louisiana, as trustee (the "Trustee"). The Bonds will bear interest at the rates and will mature at the times and in the amounts as set forth on the inside cover hereof.

The Bonds will be parity bonds secured on a pari passu basis, no series having priority of lien on the Trust Estate pledged under the Indenture. Additional Bonds (as hereinafter defined) may be issued pursuant to the Indenture on a parity with the Bonds in accordance with one or more series supplements in the manner described herein.

The Bonds are issuable only as fully registered bonds, without coupons and, with respect to the Current Interest Bonds (as defined herein), are issuable in denominations of \$5,000 and any integral multiple thereof, and, with respect to the Capital Appreciation Bonds (as defined herein), are issuable in the original principal amount set forth herein per \$5,000 Maturity Amount (as defined herein) and integral multiples thereof (collectively, the "Authorized Denominations"). The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds (the "Securities Depository"). Individual purchases of the Bonds will be made in book-entry form only in Authorized Denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. The principal of, premium, if any, Accreted Value (as defined herein), when due, and interest on the Bonds are payable by the Trustee to DTC, which will in turn remit such principal, premium, if any, and interest to its Direct Participants, which will in turn remit such principal, premium, if any, Accreted Value, when due, and interest to the Indirect Participants or the Beneficial Owners of the Bonds, as described herein. See "THE BONDS-Book-Entry Only System."

The Series 1999A Bonds and the Series 1999B-2 Refunding Bonds to be dated October 1, 1999, will bear interest at the rates set forth on the inside cover page hereof, payable semi-annually on June 1 and December 1 of each year, commencing June 1, 2000. The Capital Appreciation Bonds (as defined herein) will be dated the date of delivery thereof and interest thereon will be compounded on June 1 and December 1 of each year, commencing June 1, 2000 and will be payable, together with principal, only at maturity or upon redemption prior to maturity.

The Bonds are subject to mandatory, extraordinary mandatory and optional redemption in whole or in part and mandatory sinking fund redemption in part prior to maturity on the terms described herein. See "THE BONDS-Redemption Provisions" and "PROGRAM ASSUMPTIONS AND BONDHOLDERS' RISKS." The Bonds are also subject to special mandatory tender for purchase as a whole or in part prior to maturity on the terms described herein. See "THE BONDS-Special Mandatory Tender of the Bonds" herein.

The Bonds are issued for the purpose of providing funds for a program pursuant to which the Authority will finance the purchase, without recourse, of GNMA Securities (as defined herein) guaranteed as to timely payment of principal and interest by GNMA and/or Fannie Mae Securities (as defined herein) guaranteed as to timely payment of principal and interest by Fannie Mae, in each case backed by pools of qualifying mortgage loans (the "Mortgage Loans"), which Mortgage Loans will be originated by certain mortgage-lending institutions (the "Lenders") that customarily provide services or otherwise aid in the financing of mortgage loans on single-family residences located in the City of New Orleans, Louisiana (the "City"), to be owned and occupied by low and moderate income families or persons residing in the City.

THE BONDS SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, EITHER GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY OF NEW ORLEANS, THE PARISH OF ORLEANS, THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION OR GOVERNMENTAL UNIT THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION WHATSOEVER.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THIS COVER PAGE IS NOT INTENDED TO BE A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approving legal opinions of The Godfrey Firm, a P.L.C., New Orleans, Louisiana, and Foley & Judell, L.L.P., New Orleans, Louisiana, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by their co-counsel, McGhee Auzenne & Associates, New Orleans, Louisiana and Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana, and for the Trustee by its counsel, William Lewis, Esq., Attorney at Law, New Orleans, Louisiana. It is expected that the Bonds will be available for delivery in definitive form to DTC in New York, New York, on or about November 4, 1999.

M•R•Beal & Company
A.G. Edwards & Sons, Inc.

First Commonwealth Securities Corporation
Legg Mason Wood Walker, Inc.

Morgan Keegan & Company, Inc.
Salomon Smith Barney