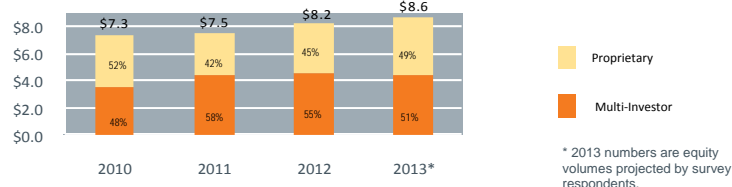


Market Overview

- The housing credit equity market, which looked a bit “wobbly” in the third and fourth quarters, nonetheless had a strong year in 2012. The sponsors have reported raising \$8.2 billion in gross equity with most reaching or exceeding their 2011 volume.
- Multi-investor funds accounted for 55% of equity volume in 2012, slightly lower than was the case in 2011.
- When direct investments are added, CohnReznick estimates that the total equity raised was approximately \$9.2 billion. 80 to 90% of the new capital came from CRA-motivated banks.
- We believe that the industry is beginning to see a slight price adjustment. Respondents reported having made binding commitments to 96 projects in January at tax credit prices ranging from \$0.80 to \$1.07 indicating that pricing spreads between “CRA Hot” and “CRA Not” markets have begun to widen again.
- Every national multi-investor funds currently being offered projects a yield that is at or above 7.0%, with most ranging between 7.25% and 7.50%, a level that is 80 to 125 basis points higher than yields offered a year ago. Since project level pricing has not moved down yet, syndicators are cutting or deferring a portion of their loads, extending investor pay-in schedules, and focusing attention on secondary market transactions and acquisition/rehabilitation projects that will deliver credits quickly.
- Respondents are generally optimistic about building out a somewhat broader equity investor market in 2013. There is, however, concern that the credit program or its value could be affected in a negative way by tax reform and that banks may find it harder to allocate capital to housing credit investments as Basel III and U.S. bank regulatory changes are implemented over the next two years. One potential bright spot is a March meeting at the Financial Accounting Standard Board’s Emerging Issues Task Force where the industry will make the case for more favorable financial statement treatment for housing credit investments.

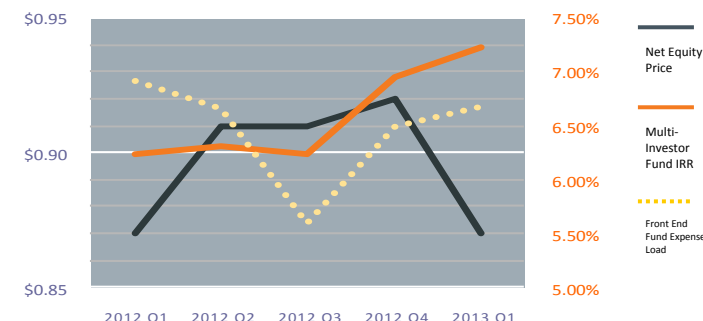
Gross Equity Raised by Survey Respondents (\$ in billion)



Net Equity Price of Housing Tax Credit Projects Closed in January 2013



Recent Net Equity Price and Yield Trend



Current Multi-Investor Funds

National Funds

Syndicator/ Fund Name	Estimated Fund Size (in million)	Projected After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Capital ATC Fund 68	\$150	7.50%	NA	May 2013
Boston Capital BCCTC Fund XXXVII	\$144	7.00%	\$0.88	March 2013
Boston Financial BFITC Fund XXXIX	\$120	7.00%	\$0.90	May 2013
City Real Estate Advisors CREA Fund XXXII	\$110	7.30%	\$0.88	March 2013
First Sterling Sterling Corporate Fund 53	\$100	7.25%	\$0.91	July 2013
National Equity Fund NEF 2013	\$100	7.25%	\$0.88	April 2013
RBC Capital Markets RBC National Fund 17	\$127	7.25%	\$0.86	April 2013
The Richman Group USA Institutional Fund LXXXIX	\$150	7.25%	NA	April 2013
Stratford Capital Group Stratford Fund XI	\$120	7.50%	\$0.83	June 2013
WNC WNC Institutional Fund 38	\$100	NA	NA	June 2013
Equity-weighted Average			Net Equity Price	Projected After Tax IRR
All National Multi-Investor Fund			\$0.88	7.26%
All Funds Excluding CA Funds			\$0.87	7.15%

Regional Funds

Syndicator/ Fund Name	Regions	Estimated Fund Size (in million)	Projected After-Tax Cash Needs IRR	Net Equity Price	Target Closing
CAHEC Community Equity Fund XVIII	Southeast Mid-Atlantic	\$100	6.50%	\$0.89	March 2013
Georgia Preservation Fund I	GA	\$35	7.25%	\$0.85	April 2013
Enterprise Community Investment CalGreen III / Pacific Northwest	CA / WA,OR	\$50 / \$40	NA	NA	May 2013
Great Lakes Capital Fund Fund 28	MI,IN,WI IL,NY	\$100	7.50%	\$0.87	Sep 2013
Mass. Housing Investment Corp MHE Fund XX	MA	\$40	NA	NA	June 2013
Midwest Housing Equity Group MHEG Fund 40 / 41	Midwest	\$150 / \$25	7.05%	Mid \$0.80s	Sep 2013
National Equity Fund California Equity Fund 2013	CA	\$40	5.30%	\$1.00	Feb 2013
Northern New England Housing Invest. Fund Community Capital 2013	ME,NH	\$25	6.50%	\$0.84 to \$0.86	Dec 2013
Ohio Capital Corporation for Housing Ohio Equity Fund XXIII	OH,KY	\$180	7.00%	\$0.85	April 2013
Raymond James RJ California II	CA	\$65	5.00%	\$1.05	May 2013
Virginia Community Development Corp. Fund XVII	VA	\$28	6.25%	\$0.90	April 2013
WNC WNC Inst. Fund X CA 11	CA	\$75	5.75%	\$0.94	April 2013

Note: All fund data was provided by the fund sponsors and compiled by CohnReznick. Neither CohnReznick nor The Tax Credit Advisor take responsibility for the accuracy of the data represented by the Sponsors. If you would like a fund included in the Housing Tax Credit Monitor, please contact TCIS@cohnreznick.com or (617) 648-1414 to speak with a professional with CohnReznick's Tax Credit Investment Services practice.