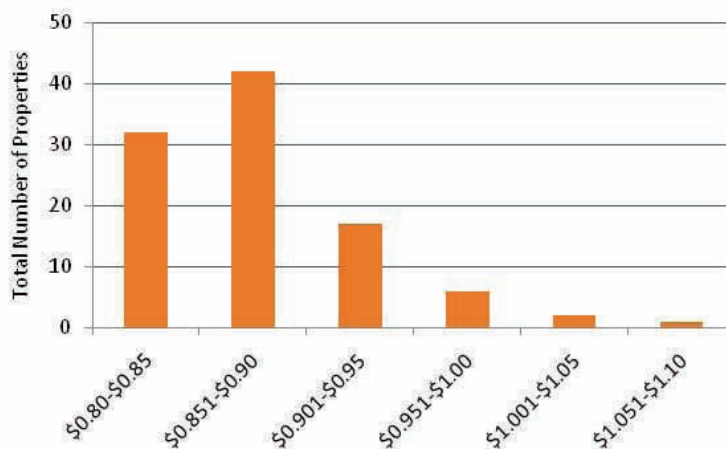


- Demand for low income housing tax credit investments remains strong in hot CRA markets and steady in most other markets. The strength of that demand has kept tax credit pricing high for the past several years but has now begun to impact business terms. Over the past sixty days we have begun to see slippage in the amount and length of various types of developer guarantees.
- The major commercial banks (and the top five in particular) continue to dominate the market.
- Demand for multi-investor funds has lagged in the first three quarters of 2013, extending the typical marketing cycle. It is projected that many large funds will close in the fourth quarter.
- Multi-investor fund yields are holding at 7.1% - 7.8% with California-only funds offering 5.5% - 6.0% returns.
- The industry is hoping that the emerging issues task force of the FASB will recommend adoption of proposed new accounting rules at its next meeting on November 14th. The new accounting rules may bring new economic investors into the market. A better balance between CRA and economic investors should narrow the pricing spreads between projects in "CRA hot" versus "CRA not" markets.

- The following graph represents the distribution of lower tier pricing for participating syndicators during the last 60 days, based on more than 100 properties.
- The pricing distribution shows heavy concentration in the price ranges between \$0.80 and \$0.90, a continuing trend from September 2013. The median price was \$0.88, a slight decrease from the \$0.89 median price in September.



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 - Fund 74	\$160	7.40%	\$0.99	12/13
Boston Capital - Fund 38	\$183	7.25%	\$0.87	12/13
Boston Financial - Fund 40	\$145	7.50%	\$0.87	11/13
City Real Estate Advisors - Fund 36	\$135	7.60%	\$0.88	11/13
First Sterling - Fund 53	\$100	7.35%	\$0.88	12/13
Hunt Capital Partners - Fund 10	\$140	7.35% - 7.50%	\$0.88	2/14
Michel Associates - Fund 22	\$50	7.83%	\$0.85	11/13
National Equity Fund - 2013	\$120	7.25%	\$0.87	10/13
R4 Housing Partners II	\$125	7.35%	NA	10/13
Raymond James - Fund 40	\$195	7.25%	\$0.87	9/13
RBC Capital Markets - Fund 18	\$107	7.00% - 7.25%	\$0.88	10/13
Red Stone Equity Partners - 2013	\$98	7.25% - 7.50%	\$0.89	8/13
Richman - Institutional Tax Credit Fund 96	\$120	7.25%	NA	12/13
Stratford Capital Group - Fund XI	\$100	7.50%	\$0.87	10/13

State / 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 19	Southeast and mid-Atlantic	\$100	7.15%	\$0.86	3/14
Great Lakes Capital Fund Fund 28	MI,IN,WI MN,IL,NY	\$109	7.50%	\$0.84	9/13
Mass. Housing Investment Corp MHE Fund XX	MA	\$42	6.50%	\$0.92	7/13
Midwest Housing Equity Group MHEG Fund 40	Midwest	\$150	7.25%	Mid \$0.80s	10/13
Ohio Capital Corporation for Housing Ohio Equity Fund - 23	OH, KY	\$196	7.00% - 7.25%	\$0.87	7/13
R4 Capital California Housing Partners	CA	\$52.5	6.00%	NA	10/13
Raymond James California Fund II	CA	\$75	5.50%	\$1.04	3/14
RBC Capital Markets California Fund - 3	CA	\$37	5.50%	\$1.04	8/13
Richman - USA California Fund	CA	\$50	5.5%	NA	3/14
Virginia Community Development Corp. Fund 18	VA, WV, KY	\$40	7.25%	\$0.85	12/13
WNC Fund 12, California Series 12	CA	\$50	6.00%	\$0.95	NA

Equity-weighted Average	Net Equity Price	Projected After Tax IRR
All National Funds	\$0.89	7.37%

Equity-Weighted Average	Net Equity Price	Projected After Tax IRR
State/Regional Funds Excluding CA	\$0.86	7.19%
California-only Funds	\$1.01	5.69%

Note: All fund data was provided by fund sponsors and compiled by CohnReznick. Neither CohnReznick nor the Tax Credit Advisor takes responsibility for the accuracy of the data represented by the sponsors. If you would like a fund included in the next 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. Visit CohnReznick's website at www.cohnreznick.com.