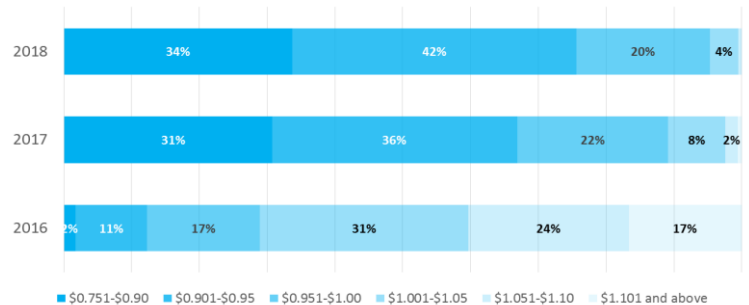




Housing Credit Pricing Update

- The second half of 2018 is expected to witness strong market activities. Survey respondents collectively reported **over \$2 billion** in national multi-investor fund offerings that are scheduled to close by the end of the year.
- On an equity-weighted average basis, participants in our latest survey (July-August 2018) reported a **\$0.91** net equity price and a **4.94%** blended IRR among the national multi-investor funds currently offered. Compared to our last survey for May-June 2018 at **\$0.903** cent and **5.06%**, this presents a slight fluctuation.
- Some respondents chose to provide "TBD" in place of an average or a range of IRRs. While incomplete, the survey data suggests that many syndicators continue to offer tiered IRRs, with the top tier being priced at 5.50% to 6.00%. The top tier is mostly intended for economic investors whose investment appetite is not driven by CRA footprints.
- The pricing update graph below represents the distribution of lower tier pricing on investments approved by the participating syndicators in the last 60 days. The median reported housing credit price in the last 60 days was **\$0.917** cents across 193 deals, which is generally consistent with the May-June 2018 survey.

July-August LIHTC Pricing Distribution (Years 2016-2018)



Equity-weighted Average	Net Equity Price	Projected After Tax IRR
National Funds	\$0.91	4.94%
State Regional Funds (excluding CA)	\$0.91	4.98%
California Funds	\$0.97	4.35%

Income Averaging in Practice

- Recently adopted legislation provides a new minimum set-aside election which allows housing credit qualified units to be occupied by households earning up to 80% of area median income ("AMI"), provided that the average income at a property is no more than 60% of AMI.
- As the industry digests the practical implications while awaiting further guidance regarding income averaging, CohnReznick has observed the first round of potential investments incorporating income averaging being presented to investors. Investors appear to be open to evaluate such opportunities but are cautious about the potential unforeseen compliance complications that income averaging may bring.

Current National Multi-Investor Funds

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Fund 92	National	\$203	3.65% - 6%	\$0.92	August 2018
BFIM Fund XLIX	National	\$178	4% - 5.75%	\$0.92	October 2018
Boston Capital BCCTC Fund 46	National	\$200	TBD	\$0.91	December 2018
CREA CREA Fund 66	National	\$207	4% - 6%	TBD	December 2018
Enterprise EHP Fund XXX	National	\$255	TBD	TBD	September 2018
NDC NDC Fund XV	National	\$85	4.50%	TBD	June 2019
R4 R4 Fund X	National	\$225	TBD	TBD	October 2018
Raymond James RJTCF 45	National	\$200	TBD	TBD	November 2018
RBC RBC National Fund -National 28	National	\$187	4.25% - 5.5%	\$0.87 - \$0.969	September 2018
Regions Regions Fund 55	National	\$100	4.65% - 5.75%	\$0.85 - \$0.92	November 2018
Richman Fund CXIX	National	\$120	TBD	TBD	October 2018
WNC WNC Fund 45	National	\$150	5% - 5.55%	\$0.89	August 2018

Current Regional Multi-Investor Funds

Syndicator / Fund Name	Region	Estimated Fund Size (millions)	After-Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant Alliant Fund 96	CA, WA	\$75	4.5% - 5%	\$0.90	December 2018
Boston Capital California Fund VIII	CA	\$83	4.25%	\$0.95	October 2018
Cinnaire Cinnaire Fund 33	MI, IL, IN, MN, WI	\$151	5% - 5.7%	\$0.89	July 2018
Cinnaire Cinnaire Mid-Atlantic Fund 4	DE, MD, PA, NJ	\$34	3.85%	\$0.94	September 2018
Enterprise EHP CalGreen V Fund	CA	\$64	TBD	TBD	September 2018
MHEG MHEG Fund 50	Midwest	\$200	5.50%	TBD	October 2018
MHIC MHEF XXIV	MA	\$47	TBD	TBD	September 2018
OCCH Fund XXVIII	OH, KY, WV	\$265	4.5% - 5%	\$0.802 - \$1.00	September 2018
Raymond James NEHOF I	Northeast	\$125	TBD	TBD	September 2018
RBC RBC CA Fund - 4	CA	\$54	4% - 5%	\$0.93 - \$1.061	September 2018
Richman NYC / PR Fund	NYC, PR	\$50	TBD	TBD	December 2018