

**FOR IMMEDIATE RELEASE:  
January 31, 2007**

## **MuniMae Announces 40<sup>th</sup> Consecutive Increase in Quarterly Distribution**

### *Company Provides Year End Review for 2006*

BALTIMORE – Municipal Mortgage & Equity, LLC (“MuniMae,” NYSE: MMA) announced today that its Board of Directors declared a distribution of \$0.5125 per common share payable on February 20, 2007 to shareholders of record as of February 7, 2007. This represents a 4% increase over the distribution for the comparable period last year. On an annualized basis, the distribution equates to \$2.05 per common share and represents a 6.5% yield based on the January 30, 2007 closing price of \$31.44 per share. Because a portion of income allocated to shareholders may qualify for exemption from Federal income taxes, the stated yield does not reflect potentially higher net returns investors may realize as compared with other investments.

MuniMae also provided a review of the Company’s business performance for the year ended December 31, 2006 as well as that of its significant operating subsidiaries and certain other activities. Michael L. Falcone, Chief Executive Officer, stated, “The past year was a good one for MuniMae. We are pleased with our production volume during the year, particularly commercial real estate financings.” Mr. Falcone continued, “We are very pleased with the value created for shareholders in 2006 - generating a total return of better than 30%. However, this good news is mitigated by our inability to file our consolidated financial statements in a timely manner. We remain strongly committed to completing our restatement efforts and are working hard to do so.” The 2006 total return is based on cash distributions paid to shareholders and share price appreciation during the year. The restatement effort is not expected to impact the Company’s cash flow. The information in this release is based on preliminary results and is subject to change as the Company completes its closing process and its independent registered public accounting firm completes its audit of the Company’s consolidated financial statements.

### **2006 Highlights**

- Increased cash distributions paid to shareholders during the year ended December 31, 2006 to \$2.00 per share, a 4.2% increase from the \$1.92 paid during the year ended December 31, 2005,
- Originated \$3.5 billion of new investments, and at December 31, 2006, managed a portfolio of more than \$18 billion in assets,
- Completed a strategic reorganization effort early in the year which positions MuniMae to better serve its clients and offer additional services and investment opportunities,
- Sponsored \$1.2 billion of tax credit equity investments in affordable housing projects, including a single fund with commitments for more than \$500 million which represents the largest affordable housing tax credit equity fund ever syndicated in the United States,
- Expanded MuniMae’s core competency of tax-advantaged investing and its offering of socially responsible investment opportunities with the acquisition of Renewable Ventures LLC, which arranges debt and equity financing for developers and owners of clean energy generation facilities,
- Originated \$1.8 billion of investments in commercial real estate financings, and

- Completed a \$192 million fixed rate bond securitization with the private placement, by a MuniMae subsidiary, of certificates that bear interest at 4.26% per annum and have an initial term of seven years.

## **MMA Financial**

MMA Financial is responsible for all the Company's affordable housing activities, and is widely recognized as a leader in U.S. affordable housing finance. During 2006, MMA Financial originated \$1.7 billion of debt and equity investments in affordable housing projects nationwide. MMA Financial continues to be one of the nation's leading sponsors of tax credit equity investments in affordable housing projects, sponsoring approximately \$1.2 billion of such investments during 2006. Among other accomplishments, the Company closed two particularly significant tax credit equity funds. One of these funds received gross equity investment commitments from 14 institutional investors for more than \$500 million in the aggregate, making it the largest tax credit equity affordable housing fund ever syndicated in the United States. Another fund sponsored in 2006 contains commitments in excess of \$350 million. These two funds demonstrate continued interest in tax-advantaged affordable housing investments, as well as the leadership position of MMA Financial in sponsoring and managing such investments.

MMA Financial also acquired approximately \$270 million of tax exempt bonds in 2006, and arranged \$125 million of taxable debt financing in affordable housing projects. Also in 2006, MMA Financial became a Freddie Mac (NYSE: FRE) Delegated Underwriter for affordable housing financings. MMA Financial is one of only seven correspondent lenders approved to participate in Freddie Mac's initiative, which was launched in September 2004. This designation gives MMA Financial the ability to offer its clients expedited processing and increased flexibility when underwriting mortgages secured by affordable housing properties with low-income housing tax credits.

## **MMA Realty Capital**

MMA Realty Capital is responsible for the Company's market rate multifamily and commercial finance activities, as well as real estate investment management services. During 2006, MMA Realty Capital originated \$1.8 billion of commercial real estate financings. Production in 2006 included more than \$800 million of agency originations, nearly \$600 million of proprietary financings and approximately \$400 million of investments in funds managed by MMA Realty Capital for its own account and on behalf of institutional investors.

## **MMA Renewable Ventures**

On May 16, 2006, MuniMae announced the acquisition of Renewable Ventures, LLC, which arranges debt and equity financing for developers and owners of renewable energy generation facilities. As part of MuniMae, the business, now renamed MMA Renewable Ventures, expanded rapidly during 2006. During the fourth quarter of the year, MMA Renewable Ventures financed development of approximately \$39 million of solar energy facilities. These financings included \$13 million of tax credit equity syndications, the first such syndications in solar energy project finance in the United States. MMA Renewable Ventures is well-positioned to accelerate the pace of debt and equity financings in renewable energy generation facilities in 2007 and beyond.

## **New Business**

Through its affiliate, International Housing Solutions (IHS), the Company built its platforms for arranging debt and equity financing for affordable housing projects overseas. IHS was formed in 2005, and is pursuing debt and equity financings, primarily in Europe, the Middle East and Africa.

## Other Matters

The Company continues its efforts to complete the restatement of its previously filed consolidated financial statements. In addition to the matters previously disclosed that required the restatements, the Company has concluded, among other things, that it will be required to consolidate substantially all of the low income housing tax credit equity funds it has interests in. The Company currently has nearly \$8 billion of low income housing tax credit equity investments under management. The Company does not expect to file its annual report on Form 10-K by March 31, 2007.

The Company also announced that the Securities and Exchange Commission (SEC) has commenced a non-public, informal inquiry. The SEC requested the Company's voluntary assistance in providing certain documentation related primarily to the identification of accounting issues resulting in the need to restate its previously filed consolidated financial statements. The Company is cooperating fully with the SEC and will continue to do so.

As a result of the dedication of significant resources related to the restatement effort, the Company expects to commence mailing of Schedules K-1 for the 2006 tax year on or about April 1, 2007. Shareholders will be able to obtain their Schedule K-1 through the Company's website on March 28, 2007 ([www.munimae.com/investorrelations/taxinformation](http://www.munimae.com/investorrelations/taxinformation)). Alternatively, at that time shareholders can contact MuniMae's K-1 support center toll free at (800) 575-9948 and instruct them to email or fax the Schedule K-1 to the shareholder or their tax advisor. Historically, Schedules K-1 have been mailed at the end of February or early March, and the Company expects the mailing of the Schedule K-1 for the 2007 tax year to be consistent with that timing.

## About MuniMae

MuniMae and its subsidiaries arrange debt and equity financing for developers and owners of real estate and clean energy projects. The Company also provides investment management and advisory services for institutional investors. Assets under management exceed \$18 billion including investments in over 3,000 multifamily properties, containing more than 320,000 units in 49 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands.

MuniMae is organized as a limited liability company, which allows it to combine the limited liability, governance and management characteristics of a corporation with the pass-through features of a partnership. As a result, the tax-exempt income derived from certain investments remains tax-exempt when passed through to shareholders. MuniMae also conducts activities through wholly owned taxable corporate subsidiaries. Distributions to shareholders are normally declared quarterly.

*Statements in this press release that are not historical fact may be deemed forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Examples of such statements in this press release include our expectations regarding the Company's sources and uses of cash, our 2006 performance expectations, our expectations regarding the results of our reorganization efforts, our expectations for increased financings of renewable energy generation facilities and our expectations related to mailing Schedules K-1. Although the Company believes the expectations reflected in any forward-looking statements are based on reasonable assumptions, the Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include completion of the audit of our financial statements, completion of pending investments, continued ability to originate new investments, the mix of business between tax-exempt and taxable activities, the availability and cost of capital for future investments, competition within the finance and real estate industries, economic conditions, loss experience and other risks detailed from time to time in the Company's SEC reports. This press release does not constitute an offer to sell any securities of the Company or any other entity.*

**For more information:**

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