

MUNICIPAL MORTGAGE & EQUITY LLC

Form 8-K

July 12, 2002

MUNICIPAL MORTGAGE & EQUITY, LLC

SUPPLEMENTAL INFORMATION

QUARTER ENDED MARCH 31, 2002

TABLE OF CONTENTS

CAD Statement for the quarter ended March 31, 2002	Page	1
Variance Analysis for CAD	Page	2
Rolling Five Quarters - CAD	Page	3
GAAP Income Statement for the quarter ended March 31, 2002	Page	4
Variance Analysis for GAAP	Page	5
Rolling Five Quarters - GAAP	Page	6
Calculation of Diluted Earnings Per Share	Page	7
CAD to GAAP reconciliation for the quarter ended March 31, 2002	Page	8
Condensed Balance Sheets and Book Value Per Share	Page	9
Leverage at March 31, 2002	Page	10
Summary of 1st Quarter 2002 Investment Activity	Page	11
Participating Portfolio Property Net Operating Income Trends	Page	12

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Units and Average Rents for Bond Portfolio

Page 13

MUNICIPAL MORTGAGE & EQUITY, LLC
 CALCULATION OF CASH AVAILABLE FOR DISTRIBUTION
 (Unaudited)
 (In thousands, except share and per share data)

	For the three months ended March 31,	
	2002	2001
SOURCES OF CASH:		
Interest on bonds, other bond-related investments, other notes and loans	\$ 22,963	\$ 20,693
Interest on short-term investments	487	356
Loan servicing fees	1,908	1,632
Loan origination and brokerage fees	3,126	2,364
Other income	2,330	2,311
Net gain on sales	40	-
TOTAL SOURCES OF CASH	30,854	27,356
EXPENSES:		
Salaries and benefits	4,827	4,445
Professional fees	172	691
Other operating expenses	2,191	1,523
Interest expense	8,290	7,668
Income taxes	414	39
TOTAL EXPENSES	15,894	14,366
CASH AVAILABLE FOR DISTRIBUTION	14,960	12,990
LESS:		
Cash allocable to preferred shares and term growth shares, including preferred shareholders in a subsidiary company	3,147	3,049
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 11,813	\$ 9,941
CAD PER COMMON SHARE	\$ 0.469	\$ 0.462
RECURRING CAD PER COMMON SHARE	\$ 0.469	\$ 0.462
CALCULATION OF CASH DISTRIBUTION:		
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 11,813	\$ 9,941
ACTUAL AMOUNT PAID	\$ 10,968	\$ 9,137
PAYOUT RATIO	92.8%	91.9%

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COMMON SHARES OUTSTANDING	25,213,482	21,499,295
	=====	=====
CASH DISTRIBUTION PER COMMON SHARE	\$ 0.4350	\$ 0.4250
	=====	=====

The primary differences between Net Income as calculated under generally accepted accounting principles ("GAAP") and Cash Available For Distribution ("CAD") result from the timing of income and expense recognition and non-cash events. These differences between CAD and GAAP income include the treatment of loan origination fees, which for CAD purposes are recognized when received but for GAAP purposes are amortized over the life of the associated loan. In addition, there are differences related to non-cash gains and losses associated with bond valuations and sales, non-cash gains and losses associated with changes in market value of derivative financial instruments, amortization of goodwill and intangibles and capitalization of mortgage servicing rights, net of deferred taxes for GAAP purposes, which are not included in the calculation of CAD.

The common shares outstanding reported for Cash Available for Distribution are the actual shares outstanding at the end of the quarter. For GAAP, the weighted average shares outstanding during the period are reported for the basic net income per share calculation. The weighted average shares outstanding for diluted net income per share include the potential dilutive effect from the exercise of options, vesting of restricted shares, conversion of the preferred shares and provision for shares to be awarded under the Midland acquisition earn out provision.

VARIANCE ANALYSIS FOR CAD

1st Quarter 2002 Compared to 1st Quarter 2001:

Total income for the first quarter of 2002 increased \$3.5 million over the same period last year due primarily to: (1) an increase of \$2.3 million in interest income due to increase in interest collected on bond and other bond-related investments, as well as an increase in interest earned on construction lending activities; (2) an increase in loan servicing fees of \$0.3 million; and (3) an increase in loan origination and brokerage fees of \$0.8 million due primarily to an increase in fees associated with tax credit and conventional equity transactions.

Total expenses for the first quarter increased \$1.5 million over the same period last year due primarily to: (1) an increase of \$0.4 million in salary and related benefits expense associated with 2001 new hires; (2) an increase of \$0.7 million in other operating expenses primarily driven by completion and deployment of accounting information systems and other upgrades in technology infrastructure, as well as commissions earned on increased syndication production, which was partially offset by a decrease of \$0.5 million in professional fees; (3) an increase of \$0.6 million in interest expense primarily associated with increased construction lending production and an increase in financing costs associated with securitizations accounted for as borrowings; and (4) an increase of \$0.4 million in income taxes primarily due to an increase in taxable fee income.

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MUNICIPAL MORTGAGE & EQUITY, LLC
 CALCULATION OF CASH AVAILABLE FOR DISTRIBUTION
 (Unaudited)
 (In thousands, except share and per share data)

	Qtr Ended 03/31/02	Qtr Ended 12/31/01	Qtr Ended 09/30/01
SOURCES OF CASH:			
Interest on bonds, other bond-related investments, other notes and loans	\$ 22,963	\$ 22,708	\$ 21,266
Interest on short-term investments	487	539	23
Loan servicing fees	1,908	1,962	1,65
Loan origination and brokerage fees	3,126	4,131	4,70
Other income	2,330	1,345	1,82
Net gain on sales	40	251	
Nonrecurring gain (loss), net	-	130	(19)
TOTAL SOURCES OF CASH	30,854	31,066	29,49
EXPENSES:			
Salaries and benefits	4,827	6,379	5,52
Professional fees	172	1,468	1,11
Other operating expenses	2,191	1,801	1,89
Interest expense	8,290	7,101	7,35
Income taxes	414	(61)	30
TOTAL EXPENSES	15,894	16,688	16,18
CASH AVAILABLE FOR DISTRIBUTION	14,960	14,378	13,30
LESS:			
Cash allocable to preferred shares and term growth shares, including preferred shareholders in a subsidiary company	3,147	3,376	2,96
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 11,813	\$ 11,002	\$ 10,34
CAD PER COMMON SHARE	\$ 0.47	\$ 0.50	\$ 0.4
RECURRING CASH FLOW PER COMMON SHARE	\$ 0.47	\$ 0.50	\$ 0.4
CALCULATION OF CASH DISTRIBUTION:			
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 11,813	\$ 11,002	\$ 10,34
ACTUAL AMOUNT PAID	\$ 10,968	\$ 9,438	\$ 9,29
PAYOUT RATIO	92.8%	85.8%	89.9
COMMON SHARES OUTSTANDING	25,213,482	21,820,266	21,618,14
CASH DISTRIBUTION PER COMMON SHARE	\$ 0.4350	\$ 0.4325	\$ 0.430

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MUNICIPAL MORTGAGE & EQUITY, LLC
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)

(In thousands, except share and per share data)

	For th
	----- 2002 -----
INCOME:	
Interest on bonds, other bond-related investments, other notes and loans	\$
Interest on short-term investments	
Loan servicing fees	
Loan origination and brokerage fees	
Other income	
Net gain on sales	

Total income	-----
EXPENSES:	
Salaries and benefits	
Professional fees	
Operating expenses	
Amortization	
Interest expense	
Other-than-temporary impairments related to investments in bonds and other bond-related investments	

Total expenses	-----
Net holding gains (losses) on trading securities	
Income tax expense	
Income allocable to preferred shareholders in a subsidiary company	
Cumulative effect on prior years of change in accounting for derivative financial instruments	

Net income (loss)	\$ =====
LESS:	
Net income allocable to preferred shares and term growth shares	

Net income (loss) allocated to common shares	\$ =====
OPERATING NET INCOME ALLOCATED TO COMMON SHARES (Note 1)	\$ =====
NET INCOME (LOSS) PER COMMON SHARE:	
Basic net income (loss) per common share:	
Basic net income before cumulative effect of accounting change	
	=====
Basic net income (loss) per common share	
	=====
Weighted average common shares outstanding	23,5

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Diluted net income (loss) per common share:

Diluted net income before cumulative effect of accounting change

Diluted net income (loss) per common share

Weighted average common shares outstanding

Operating net income per common share (Note 1)

Note 1 - Operating Net Income is Net Income before the change in market value of the Company's derivative financial instruments.

VARIANCE ANALYSIS FOR GAAP

1st Quarter 2002 compared to 1st Quarter 2001:

Total income for the first quarter of 2002 increased \$2.9 million over the same period last year due primarily to: (1) an increase of \$3.6 million in interest income due to increase in interest collected on bond and other bond-related investments, as well as an increase in interest earned on construction lending activities; (2) a \$0.5 million decrease in interest on short-term investments resulting from the use of equity offering proceeds to repurchase senior interests in current securitization trusts and funding of other operations, as well as a decrease in interest collected on margin call accounts; (3) a decrease in other income of \$3.1 million primarily due to other income associated with the Dynex transaction in the first quarter of 2001; (4) a \$2.0 million increase in gain on sales associated with a \$1.2 million gain on the sale of taxable loans and a \$1.0 million sale of an investment in RITES; and (5) an increase in loan origination and brokerage fees of \$0.6 million due primarily to an increase in fees associated with tax credit and conventional equity transactions.

Total expenses for the first quarter of 2002 decreased \$1.9 million over the same period last year due primarily to: (1) an increase of \$0.4 million in salary and related benefits expense associated with 2001 new hires; (2) an increase of \$0.7 million in other operating expenses driven primarily by completion and deployment of accounting information systems and other upgrades in technology infrastructure, as well as commissions earned on increased syndication production, which was partially offset by a decrease of \$0.5 million in professional fees; (3) an increase of \$1.1 million in interest expense primarily associated with increased construction lending production and an increase in financing costs associated with securitizations accounted for as borrowings; (4) a decrease of \$0.4 million in amortization expense due to changes in accounting guidelines relating to amortization of goodwill; and (5) a \$3.1 million impairment recorded in 2001 associated with the Dynex transaction.

The company recorded net holding gains for mark to market adjustments on derivative financial instruments of \$3.1 million for the first quarter of 2002. Excluding this quarter's mark to market adjustment, earnings from net operating income was \$0.50 per common share.

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MUNICIPAL MORTGAGE & EQUITY, LLC
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME
 (Unaudited)
 (In thousands, except share and per share data)

	Qtr Ended 03/31/02	Qtr Ended 12/31/01	Qtr Ended 09/30/01
	-----	-----	-----
INCOME:			
Interest on mortgage revenue bonds and other bond-related investments	\$ 15,593	\$ 17,311	\$ 12,153
Interest on loans	7,999	7,930	8,461
Interest on short-term investments	487	899	487
Loan servicing fees	1,908	1,962	1,659
Loan origination and brokerage fees	2,707	3,820	3,381
Other income	1,689	216	1,395
Net gain on sales	2,166	1,334	4,753
	-----	-----	-----
TOTAL INCOME	32,549	33,472	32,289
	-----	-----	-----
EXPENSES:			
Salaries and benefits	4,827	6,379	5,527
Professional fees	172	1,468	1,114
Operating expenses	2,191	2,280	1,881
Goodwill and other intangible amortization	318	494	694
Interest expense	8,972	7,228	7,873
Other-than-temporary impairments	110	-	-
	-----	-----	-----
TOTAL EXPENSES	16,590	17,849	17,089
	-----	-----	-----
Net holding gains (losses) on trading securities	3,112	2,691	(4,670)
Income tax expense	(1,031)	(351)	(805)
Income allocable to preferred shareholders in a subsidiary company	(2,994)	(2,961)	(2,606)
Cumulative effect on prior years of change in accounting for derivative financial instruments	-	-	-
	-----	-----	-----
Net income (loss)	\$ 15,046	\$ 15,002	\$ 7,119
	=====	=====	=====
LESS:			
Net income allocable to preferred shares and term growth shares	153	418	605
	-----	-----	-----
Net income (loss) allocated to common shares	\$ 14,893	\$ 14,584	\$ 6,514
	=====	=====	=====
OPERATING NET INCOME ALLOCATED TO COMMON SHARES	\$ 11,781	\$ 11,893	\$ 11,184
	=====	=====	=====
EARNINGS PER COMMON SHARE:			
Basic earnings before cumulative effect of accounting change	\$ 0.63	\$ 0.67	\$ 0.30
	=====	=====	=====
Basic net income (loss) per common share	\$ 0.63	\$ 0.67	\$ 0.30
	=====	=====	=====
Diluted earnings before cumulative effect of accounting change	\$ 0.62	\$ 0.65	\$ 0.29
	=====	=====	=====
Diluted net income (loss) per common share	\$ 0.62	\$ 0.65	\$ 0.29
	=====	=====	=====
Weighted average shares outstanding:			

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Basic	23,584,635	21,708,191	21,590,584
Diluted	24,200,030	22,349,645	22,397,981
Operating net income per common share	\$ 0.50	\$ 0.55	\$ 0.52

Municipal Mortgage & Equity, LLC
Reconciliation of Basic and Diluted EPS

	For the three months ended March 31, 2002			For the three months ended March 31, 2001
	Income	Shares	Per Share	Income
	(Numerator)	(Denominator)	Amount	(Numerator)
(In thousands, except share and per share data)				
Basic EPS				
Income allocable to common shares	\$ 14,893	23,584,635	\$ 0.63	\$ (9,064)
Effect of Dilutive Securities				
Options and deferred shares	-	482,540		-
Earnings contingency	-	132,855		-
Diluted EPS				
Income allocable to common shares plus assumed conversions	\$ 14,893	24,200,030	\$ 0.62	\$ (9,064)

MUNICIPAL MORTGAGE & EQUITY, LLC
RECONCILIATION OF GAAP INCOME TO CASH AVAILABLE FOR DISTRIBUTION
(Unaudited)
(In thousands)

	For the three months ended March 31, 2002
INCOME:	
Interest on bonds, other bond-related investments, other notes and loans	\$
Interest on short-term investments	
Loan servicing fees	
Loan origination and brokerage fees	

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Other income		
Net gain on sales		

Total income		-----
EXPENSES:		
Salaries and benefits		
Professional fees		
Operating expenses		
Amortization		
Interest expense		
Other-than-temporary impairments related to investments in bonds and other bond-related investments		

Total expenses		-----
Net holding gains on trading securities		
Income tax expense		
Income allocable to preferred shareholders in a subsidiary company		

Net income		\$
		=====
LESS:		
Net income allocable to term growth shares		

Net income allocated to common shares		\$
		=====
Conversion to Cash Available for Distribution:		
Amortization of intangibles and fees		
Valuation allowances and impairments		
Origination fees and other income		
Net gain on sale		
Mark to market adjustments		
Deferred tax expense		

Cash Available for Distribution		\$
		=====

MUNICIPAL MORTGAGE & EQUITY, LLC
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	(Unaudited) March 31, 2002	December 31, 2001
	-----	-----
ASSETS:		
Cash, cash equivalents and interest receivable	\$ 90,964	\$ 113,232
Investment in bonds and other bond-related investments	650,940	629,755
Investment in derivative financial instruments	2,452	2,912
Loans receivable, net	381,998	440,031
Other assets	74,426	74,341
Goodwill and other intangible assets	29,005	29,005
	-----	-----

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TOTAL	\$ 1,229,785	\$ 1,289,276
=====		
LIABILITIES AND EQUITY:		
Current liabilities	\$ 26,632	\$ 31,974
Notes payable	333,757	420,063
Investment in other bond-related investments	5,630	7,979
Investment in derivative financial instruments	15,074	18,646
Short-term debt	53,500	78,560
Long-term debt	138,370	134,881
Preferred shareholders' equity in a subsidiary company	160,465	160,465
Shareholders' equity	496,357	436,708

TOTAL	\$ 1,229,785	\$ 1,289,276
=====		
BOOK VALUE PER COMMON SHARE	\$ 19.68	\$ 19.31
=====		

MUNICIPAL MORTGAGE & EQUITY, LLC
 ADJUSTED BALANCE SHEET
 (In thousands)
 (unaudited)

	Mar 31, 2002	Adj
	-----	-----
Cash and cash equivalents	\$ 75,775	
Investment in bonds and loans, net	632,688	
Off balance sheet assets	-	
Other assets	500,618	

Total net assets	\$ 1,209,081	
=====		
Liabilities, including short-term debt	\$ 413,889	
Off balance sheet debt	-	
Long-term debt	138,370	

Total liabilities	\$ 552,259	
=====		
Leverage Ratio		
(1) Adjustments to bonds and loans:		
Remove Midland loans from assets and liabilities	\$ 348,717	
Remove Oxford from assets and liabilities	5,420	
Adjustment to reflect CAD sale of pari passu taxable loans accounted for as borrowings	17,163	
Adjustment to reflect effect of highly leveraged obligations	63,831	

TOTAL	\$ 435,131	
=====		
(2) Off-balance sheet assets includes the following:		
FSA A Bonds	\$ 67,500	
Other A Bonds	23,789	
Demand Notes	16,247	
P-Floats	306,759	

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	TOTAL	\$ 414,295
=====		
(3)	Remove goodwill	\$ 29,004
=====		
(4)	Adjustments to liabilities:	
	Remove other liabilities and normal accruals	\$ 26,632
	Adjustment to reflect CAD sale of pari passu taxable loans accounted for as borrowings	18,997
	Remove Oxford from assets and liabilities	5,410
	Remove Midland loans from assets and liabilities	333,694

	TOTAL	\$ 384,733
=====		

MUNICIPAL MORTGAGE & EQUITY, LLC
 2002 INVESTMENTS
 FIRST QUARTER
 (In thousands)

BOND PRODUCTION:

PROPERTY	CITY	STATE	PERMANENT INTEREST RATE	CONSTR

The Chancellor II (1)	Los Angeles	CA	7.350%	
Walnut Village (1)	Los Angeles	CA	7.350%	
Las Trojas (1)	North Hills	CA	7.350%	
Monroe B (2)	Monroe	LA	7.200%	

TOTAL				
=====				

(1) The Company's initial investment in these bonds was \$51,000 per bond. The remaining balance of each bond is estimated to be drawn in August, 2002. The Company earned a 1.25% origination fee.

(2) The Company made an additional investment in two existing properties located in Monroe, LA. The company earned a 7% origination fee.

CONSTRUCTION/PERMANENT LENDING AND SYNDICATION PRODUCTION:

	QUA VO

Tax Credit Equity Syndications (Equity Raised)	\$ 3
Tax Credit Lending Production	\$ 2
Conventional Equity Syndication (Equity Raised)	\$

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Conventional Lending Production	\$
Taxable Construction Loan Production (generating a weighted average spread of 1.12%)	\$ 6
Taxable Permanent Loan Production	\$ 6
Working Capital Loans	\$ 1
 OTHER INFORMATION:	
Balance as of 3/31/02 of Midland Servicing Portfolio under Management	\$ 1,05
Balance as of 3/31/02 of Midland Equity Syndication Portfolio under Management	\$ 67

MUNICIPAL MORTGAGE & EQUITY, LLC
PARTICIPATING BOND PORTFOLIO
NET OPERATING INCOME - TREND
As of March 31, 2002

Property -----	Q1 2001 Actual -----	Q4 2001 Actual -----	Q1 2002 (2) Actual -----
Alban	255,263	238,545	275,263
(1) Arlington	0	0	0
Barkley Place	376,725	379,015	427,224
Cobblestone	162,306	179,580	171,467
(1) Cool Springs	0	0	0
Creekside	236,937	241,272	278,383
Crossings	223,004	192,690	172,282
Gilman Meadows	177,968	178,290	197,869
Hamilton Grove	249,607	208,703	266,232
Jefferson Commons	558,561	376,176	551,513
Lakeview	174,579	157,497	193,404
Mallard I	38,063	58,433	46,473
Mallard II	123,457	133,411	134,853
Montclair	440,570	305,474	425,197
Newport Village	283,680	318,144	331,262
Nicollet Ridge	397,875	394,316	403,026
North Pointe	546,620	540,006	578,480
Palisades Park	190,014	226,929	224,810
Riverset I	417,320	408,873	367,083
Riverset II	176,749	170,854	162,840
Steeplechase Falls Meadows	347,592	370,708	412,440
	165,775	171,553	180,895
Timber Ridge	146,225	154,997	169,739
Villas at LaRiviera	193,084	249,233	225,414
Whispering Lake	331,086	302,653	345,122
Winter Oaks	272,870	184,575	249,654
 Total	 6,485,930	 6,141,927	 6,790,925
 Same Store Growth	 6,485,930	 6,141,927	 6,790,925

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- (1) Under construction
 (2) Q1 2002 represents two months actual, one month budget

MUNICIPAL MORTGAGE & EQUITY, LLC
 REAL ESTATE TABLE

Apartment Community	Month/Year Acquired	Apartment Units	Occupancy			Month Ended Febr
			Month Ended March 31, 2002	Month Ended December 31, 2001	Month Ended March 31, 2001	
Participating Mortgage Bonds:						
Alban Place	Sep-86	194	94.3%	90.7%	92.8%	
Cobblestone	Aug-99	184	94.6%	94.0%	94.0%	
Creekside Village	Nov-87	296	99.7%	99.7%	99.7%	
Crossings	Jan-97	200	93.5%	95.5%	97.0%	
Jefferson Commons	Dec-00	173	93.8%	94.8%	97.7%	
Lakeview	Sep-87	180	97.8%	97.2%	98.4%	
North Pointe	Sep-86	540	96.9%	96.9%	93.9%	
Timber Ridge	Dec-00	168	94.6%	96.4%	95.5%	
Villas at LaRiviera	Jun-99	199	98.0%	96.5%	97.6%	
Subtotal Participating Mortgage Bonds		2,134				
Mortgage Bonds:						
Applewood (a.k.a. Paola)	Jul-99	48	93.8%	91.7%	93.8%	
Buchanan Bay	Mar-01	228	73.0%	71.5%	N/A	
Cielo Vista	Aug-99	378	97.1%	89.7%	87.8%	
Charter House (2)	Dec-96	-	N/A	N/A	N/A	
Country Club	Jul-99	101	94.1%	87.1%	85.7%	
Delta Village	Jun-99	80	98.8%	93.8%	96.5%	
Elmbrooke	Aug-00	54	100.0%	100.0%	80.1%	
Florida A&M	Feb-00	96	72.9%	69.8%	93.8%	
Gannon (Broward)	Feb-98	315	96.5%	97.5%	94.6%	
Gannon (Dade) (3)	Feb-98	1,252	95.4%	95.1%	97.2%	
Gannon (St. Louis)	Feb-98	336	92.3%	91.1%	92.0%	
Gannon A Bond	Feb-98	-	N/A	N/A	N/A	
Hidden Valley	Dec-96	82	90.2%	87.8%	97.6%	
Honey Creek	Mar-99	656	93.9%	91.6%	96.8%	
Hunter's Glen	Mar-01	383	91.1%	91.1%	N/A	
Lake Piedmont	Apr-98	648	92.4%	85.0%	79.5%	
Monroe (Oakmont, Towne Oak)	Dec-98	364	98.6%	98.4%	99.5%	
Mountain View (Willowgreen)	Nov-86	241	95.4%	92.5%	98.2%	
Northridge Park II	Aug-87	128	99.2%	97.7%	97.0%	
Oakbrook	Dec-96	170	95.9%	95.9%	97.5%	
Orangevale	Apr-98	64	100.0%	100.0%	100.0%	
Parkwood	Jun-99	180	97.8%	97.2%	99.0%	
Riverset II (1)	Jan-96	-	N/A	N/A	N/A	
Sahuarita	Jun-99	52	78.8%	75.0%	100.0%	

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Santa Fe Springs	Jun-00	310	81.9%	88.4%	92.5%
Shadowbrook	Jun-99	193	97.9%	96.4%	98.0%
Torries Chase	Dec-96	99	92.9%	99.0%	97.0%
Villa Hialeah	Nov-87	245	97.6%	97.1%	98.0%
Village at Stone Mountain	Oct-97	722	92.5%	93.1%	95.9%
Village Green	Feb-00	200	88.5%	90.5%	93.8%
Western Hills	Dec-98	80	97.5%	100.0%	94.8%
Willow Key	Mar-99	384	98.7%	99.0%	99.2%
Woodmark	Jun-99	173	97.7%	97.7%	96.4%

Subtotal Mortgage Bonds 8,262

Participating Subordinate Mortgage Bonds:

Barkley Place	May-87	156	91.7%	92.9%	93.5%
Gilman Meadows	Mar-87	125	93.6%	94.4%	93.6%
Hamilton Chase	Feb-87	300	97.7%	94.0%	92.8%
Mallard Cove I & II	Feb-87	198	85.9%	87.4%	97.1%
Meadows	Jan-88	200	93.0%	98.5%	92.8%
Montclair	Oct-86	159	91.8%	90.6%	94.0%
Newport Village	Dec-86	220	95.0%	95.9%	98.6%
Nicollet Ridge	Dec-87	339	90.6%	90.0%	95.6%
Riverset II	Jan-96	148	89.0%	88.2%	92.6%
Steeplechase	Oct-88	450	98.7%	96.2%	93.8%
Whispering Lake	Oct-87	384	93.8%	88.3%	88.3%

Subtotal Participating Subordinate Mortgage Bonds 2,679

Occupancy

Apartment Community	Month/Year Acquired	Apartment Units	Month Ended	Month Ended	Month Ended
			March 31, 2002	December 31, 2001	March 31, 2001
Subordinate Mortgage Bonds:					
CAPREIT	Sep-99	-	N/A	N/A	N/A
Cinnamon Ridge	Jan-99	-	N/A	N/A	N/A
Farmington Meadows	Aug-99	69	98.6%	100.0%	100.0%
Independence Ridge	Aug-96	336	83.9%	83.9%	86.6%
Locarno	Aug-96	110	92.7%	92.7%	93.6%
Olde English Manor	Nov-99	-	N/A	N/A	N/A
Peaks of Conyer	Sep-01	260	N/A	N/A	N/A
Rillito Village	Jul-00	-	N/A	N/A	N/A
Winter Oaks	Nov-99	460	91.5%	86.1%	92.3%

Subtotal Subordinate Mortgage Bonds 1,235

Other Bond-Related Investments:

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Briarwood	Dec-98	600	98.7%	97.3%	94.3%
Cinnamon Ridge	Dec-97	264	97.0%	95.8%	95.4%
Golfside Villas (f.k.a. Club West)	Mar-99	194	100.0%	99.0%	98.5%
Park Center	Oct-01	325	92.9%	92.9%	N/A
Park at Landmark	Sep-00	396	95.0%	94.7%	98.0%
Poplar Glen	Jun-97	191	99.0%	98.4%	96.1%
UTES - Charter House	Dec-96	280	89.6%	89.3%	93.2%
UTES - Indian Lakes	Jul-97	296	87.8%	91.9%	88.2%
UTES - LaPaloma	Apr-99	120	99.2%	100.0%	97.0%
UTES - LeMirador (Coleman Senior)	Apr-98	141	98.6%	96.5%	99.7%
UTES - Museum Towers	Apr-01	286	88.5%	89.5%	N/A
UTES - Oklahoma City (4)	Aug-98	772	87.4%	88.1%	94.3%
UTES - Olde English Manor	Jun-98	264	92.8%	91.3%	95.5%
UTES - Palisades Park	Feb-98	304	98.4%	99.3%	98.5%
UTES - Pavillion	Apr-99	132	99.2%	99.2%	99.5%
UTES - Queen Anne IV	Jul-98	110	99.1%	99.1%	91.5%
UTES - Rancho/Villas	May-00	417	92.8%	85.8%	93.5%
UTES - Rillito Village	Aug-98	272	93.4%	86.8%	89.3%
UTES - Riverset (1)	Aug-88	352	89.0%	88.2%	92.6%
UTES - Riverset II (1)	Jan-96	-	N/A	N/A	N/A
UTES - Sienna (a.k.a. Italian Gardens)	Apr-98	140	97.1%	95.0%	100.0%
UTES - Sonterra	May-98	156	80.8%	76.3%	77.4%
UTES - Southgate Crossings	Jun-97	215	95.8%	100.0%	96.8%
UTES - Southwood	Nov-97	1,286	84.0%	82.0%	82.6%

Subtotal Other Bond-Related Investments

7,513

Total Units/Weighted Average Investments

21,823

Total/Same Stores

20,341

93.3%

92.2%

93.6%

Construction/Substantial Rehab Properties and Other Investments:

Arlington	Dec-00	176	N/A	N/A	N/A
Barrington at Beach Street	Oct-00	398	28.6%	N/A	N/A
Bedford Park	Oct-00	312	74.4%	41.0%	48.8%
CAPREIT (5)	Mar-01	2,942	93.3%	93.7%	95.6%
Chancellor	Nov-01	101	N/A	N/A	N/A
Chancellor II	Mar-02	46	N/A	N/A	N/A
Cool Springs	Aug-00	124	21.8%	17.7%	N/A
Fort Branch	Dec-00	250	N/A	N/A	N/A
Hidden Brooks	Sep-01	201	80.1%	87.1%	N/A
Las Trojas	Mar-02	49	N/A	N/A	N/A
Lincoln Corner	Dec-01	134	N/A	N/A	N/A
Meridian at Bridgewater	Nov-99	90	64.4%	52.2%	10.0%
North White Road	Nov-01	157	N/A	N/A	N/A
Oak Grove Commons	Dec-01	168	N/A	N/A	N/A
Penn Valley	Dec-01	42	N/A	N/A	N/A
Riverview	Jun-00	224	51.3%	17.0%	N/A
Silver Springs	Dec-99	250	88.0%	86.4%	19.2%
Southwind	Aug-00	88	85.5%	96.6%	69.0%
Village Apartments	May-00	210	96.2%	84.8%	82.1%
Village at Sun Valley	May-00	276	49.6%	32.6%	N/A
Walnut Tree	Mar-02	64	N/A	N/A	N/A
Weatherstone	Sep-00	100	54.0%	40.0%	N/A

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Woodglen	Dec-99	250	93.2%	92.4%	79.6%

Subtotal Construction/Rehab Properties		6,652			

Total Units		28,475			
		=====			

- (1) The Company owns a participating bond, a participating subordinate bond and a RITES interest collateralized by the Riverset property.
- (2) The Company owns a non-participating bond and a RITES interest collateralized by the Charter House property.
- (3) The Dade Gannon Portfolio represents eight properties.
- (4) The Oklahoma City Portfolio represents three properties.
- (5) The CAPREIT Portfolio represents eleven properties.
- (6) Same Store includes properties reporting for each of past three quarters.