

An Investment That Delivers More. To Everyone.

The federal Low-Income Housing Tax Credit (LIHTC) program provides financial incentives to acquire and develop as well as rehabilitate affordable rental housing. Corporations that opt to invest in the tax credit lower their tax liability and receive a very competitive return. At the same time, investors gain the opportunity to carry out their social mission by helping to meet the need for quality affordable housing in the communities where they do business.

LIHTC investors provide capital for affordable housing development in return for 10 years of tax credits. Additional benefits to investors include deductions for depreciation and interest expense from the real estate to shelter taxable income. The result is a stable, solid return on their investment for providing the equity to finance the housing.

Since 1986, investors have purchased more than \$100 billion in tax credits to produce more than 2.5 million LIHTC-financed affordable rental homes nationwide. The rigors of private-sector discipline are evident throughout the process, from site selection to compliance monitoring. Through prudent underwriting, backed by conservative credit analytics and expert technical support, fund managers ensure that transactions deliver long-term benefits for corporations and communities.

Investing in LIHTC	
Benefits	Considerations
A safe, responsible investment with attractive after-tax returns	Requires 10-year tax planning
Low-risk asset class of properties (.08 percent foreclosure rate is the industry average)	Limited secondary market
Favorable Community Reinvestment Act (CRA) consideration	Equity subordinate to project level debt
Revitalization of low-income communities through creation of environmentally responsive affordable housing	Tax credits are typically booked as an asset in the non-current investment category, written down using the equity method over a period of 10 years or more.

Enterprise has demonstrated its long-term commitment to our partners' financial success throughout our more than two decades of experience driving investment in building better, more sustainable neighborhoods. To date, we have invested \$10 billion to create more than 250,000 affordable homes nationwide. Enterprise played a key role in creating the landmark LIHTC program, and remains one of its leading advocates and suppliers.

For more information about investing in LIHTC with Enterprise, please contact:

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LIHTC Partners

- **Development Team:** Nonprofit, for-profit or joint venture developers
- **Investors:** Financial institutions, insurance companies, private and public corporations
- **Fund Manager/Syndicator:** Intermediary between investors and developers
- **Lenders/Subsidy Providers:** Banks, city and state agencies providing various financing

How the LIHTC Program Works

