sure neighborhood stabilization efforts. In addition, the organization is working to coordinate a policy response to really address the issue of foreclosure prevention, particularly looking at approaches to loan modifications.

A second issue will involve the reform of the secondary market. "We've got to get back to a place where the secondary market serves the affordable housing industry whether that's the government-sponsored enterprises or the Federal Home Loan Banks or other participants," says Nissenbaum. "We need to make sure, the mainstays remain in place, and that strong and sustainable long-term capital sources exist to support state and local housing goals."

On a third front, transit-oriented development and green initiatives will continue to be important topics for NHC. "It's a crucial moment in time when we have a president who knows the importance of these issues, a federal housing secretary who is well steeped in affordable housing, and financial-sector and banking regulators who want to promote community reinvestment," says Nissenbaum. "That alignment provides us with an important opportunity." ■

TAX CREDIT EQUITY

Syndicator Eyes Return to Market

BY DONNA KIMURA

BOSTON

Boston Financial Investment Management is preparing its first low-income housing tax credit (LIHTC) fund since its change from MMA Financial. It's one of several key moves that the firm is making as it returns to the market under new ownership.

"The biggest challenge will be reintroducing the company to the marketplace in a way that emphasizes the quality of the company's people and systems, while conveying that we are free from the accounting problems that MuniMae has encountered," says new CEO Ken Cutillo.

MMA Financial, a prominent LIHTC syndicator, was sold this year by MuniMae to an affiliate of JEN Partners, LLC, a New York-based private equity firm. The $30.7 million deal consisted of $18.7 million in cash and $12 million in liabilities to be assumed by the buyer.

The name was then changed, but it's not totally new. The firm started out many years ago as Boston Financial, then became Lend Lease, and then MMA.

Company leaders describe Boston Financial as a "mature start-up," meaning it has many of the people and structures from MMA Financial with a revamped business plan and new ownership.

In addition to syndicating tax credits, the firm holds third-party contracts with several institutional investors to asset-manage their holdings. Boston Financial wants to grow that third-party asset management business.

"Overall, I see us continuing our asset management business for existing investors, expanding it by securing third-party asset management work or acquiring additional portfolios, and getting back into the syndication market, but in a way that is consistent with the constrained equity market that currently exists," says Cutillo, who worked for seven years as a senior vice president at Alliant Capital and supervised the firm's acquisition program.

> Boston Financial Investment Management, formerly MMA Financial, has a portfolio of 1,800 properties valued at about $8 billion.

First LIHTC fund

In one key change, the firm does not have an affordable housing finance group as MMA did. Earlier this year, Oak Grove Capital acquired MMA Financial's Fannie Mae, Freddie Mac, and Department of Housing and Urban Development lending platform for about $70 million.

Boston Financial is talking with a few lenders to establish a correspondent relationship, where it would have an exclusive alliance with a lender. That way it could offer debt and equity together to its affordable housing partners.

On the equity side, Boston Financial is working on its first LIHTC fund. It is hosting an investors' conference at the end of October to re-introduce itself to the market, says COO Greg Judge, who has been with the company since 1989.

He expects that the fund will be launched in November and will likely be between $50 million and $100 million.

"We expect to have a modified structure to our funds going forward with the goal to further align ourselves with our investors while also creating self-sustaining funds," says Judge. "We'd like to turn the tax credit investment business into more of an annuity business from an up-front transactional fee business as we feel that this better aligns interests and incentives." ■