

## **MMA Capital Management Announces Subordinated Debt Restructuring and Sale of Real Estate Asset**

BALTIMORE, May 26, 2015 /PRNewswire/ -- MMA Capital Management, LLC (NASDAQ: MMAC) ("**MMA Capital**" or "**the Company**") today announced that on May 21, 2015 it entered into agreements amending the repayment terms of \$96.5 million of subordinated debt and on May 22, 2015 it closed on the sale of an affordable housing property that generated a gain of approximately \$5.0 million.

The amendments to the subordinated debt changed the following terms of the agreements: 1) the interest rate applied to the outstanding principal balances changes from the 3-month London Interbank Offered Rate ("**LIBOR**") plus 330 basis points ("**bps**") to 3-month LIBOR plus 200 bps; and 2) principal payments change from a single balloon payment due in 2035 to quarterly amortization of principal in an amount per quarter equal to one-half percent (50 bps) times the then outstanding principal balance and a balloon payment of the remaining outstanding principal balance in 2035. These changes apply throughout the remaining term of the debt and will result in at least \$25 million of interest savings over the life of the debt, without considering savings from amortization and potential increases in LIBOR.

Prior to the closing on the new agreements, the Company made interim principal payments in the aggregate principal amount of \$15.4 million, which were due in calendar year 2015 under the terms of the original agreements, and which reduced the then outstanding principal balance of \$111.9 million to the current balance of \$96.5 million due under the new agreements. The Company still has an additional \$28.5 million of amortizing subordinated debt with an 8.0% fixed pay rate that was not affected by these agreements.

In addition, the Company sold an affordable housing property called Whispering Lake Apartments, located in Kansas City, Missouri, for \$14.4 million. As a result of the sale, the Company will recognize a gain on sale of approximately \$5.0 million during the second quarter of 2015.

Michael Falcone MMA Capital's Chief Executive Officer stated, "When reviewing ways to improve our balance sheet and the overall performance of the Company it was clear that the subordinated debt needed to be dealt with for the long-term. With these agreements we were able to reduce our long term interest costs on the majority of our subordinate debt while retaining capital to be used for new investment opportunities. We believe these terms mutually benefit the Company and our lenders. Separately, the sale of Whispering Lake at an attractive price allows us to recycle capital into investments with higher yields, while generating immediate income for the Company. Collectively, in addition to the one-time gain on the Whispering Lake sale, these two transactions should provide significant long term benefits to our shareholders as we lower our interest costs and invest our capital in higher yielding opportunities."

### ***Cautionary Statement Regarding Forward-Looking Statements***

*This Release contains forward-looking statements intended to qualify for the safe harbor contained in Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements often include words such as "may," "will," "should," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "seek," "would," "could," and similar words or are made in connection with discussions of future operating or financial performance.*

*Forward-looking statements reflect our management's expectations at the date of this Release regarding future conditions, events or results. They are not guarantees of future performance. By their nature, forward-looking statements are subject to risks and uncertainties. Our actual results and financial condition may differ materially from what is anticipated in the forward-looking statements. There are many factors that could cause actual conditions, events or results to differ from those anticipated by the forward-looking statements contained in this Release. These factors include changes in market conditions that affect the willingness of potential investors or lenders to provide us with debt or equity, changes in market conditions that affect the value or marketability of assets we own, changes in market conditions or other factors that affect our access to cash that we may need to meet our commitments to other persons, changes in interest rates or other conditions that affect the value of mortgage loans we have made, changes in interest rates that affect our cost of funds, tax laws, environmental laws or other conditions that affect the value of the real estate underlying mortgage loans we own, and changes in tax laws or other things beyond our control that affect the tax benefits available to us and our investors. Readers are cautioned not to place undue reliance on forward-looking statements. We have not undertaken to update any forward-looking statements in this Release.*

[www.mmacapitalmanagement.com](http://www.mmacapitalmanagement.com)

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