



*America's Partner
in Community Development*



American Communities Fund



A Letter from ACF

Fannie Mae's American Communities FundSM (ACF) is one of America's leading private-capital, community development investment funds. Since its inception in 1996, ACF has pursued its mission to provide debt and equity financing to transform neighborhoods throughout the United States. By the end of 1999, ACF had invested almost \$300 million in tangible, high-impact residential and neighborhood developments.

ACF is a catalyst for change. We aim to significantly improve the communities that we make a commitment to transform. We work closely with our partners to leverage the resources of the financial services industry, for-profit and nonprofit developers, the federal government, and state and local governments.

In 1999, we began to purchase historic tax credits with the aim of being the housing-related tax credit investor of choice. We financed the rehabilitation of multifamily housing to upgrade America's aging rental housing stock. Generally, we invest in communities that others overlook or are hesitant to consider. But once we make the commitment, other investors often follow. These are fine achievements, but there's more to come.

ACF begins the new millennium with a commitment to provide up to \$3 billion in debt and equity financing for community development and revitalization.



Building upon the momentum ACF has generated in executing its mission, our \$3 billion commitment will expand our ability to invest in more underserved and rural communities, as well as emerging neighborhoods and downtowns. We will continue to work with our Partnership Offices and local partners to identify opportunities that are most likely to have a significant impact on local communities.

Moreover, we will continue to develop new financial products to best meet the unique needs of American communities and our partners. We will finance developments that make housing more affordable or incorporate new technologies or energy efficiencies in home design. We're always looking for new technologies to streamline processes and reduce costs. Our efforts will ensure that we have the capacity to manage what promises to be the largest community development portfolio in the nation.

I'm excited about the future of ACF and inspired by the vision and creativity of our partners who will help us bring our investments to life. If your organization or community is involved in developing or revitalizing a community or wishes to engage in a partnership that is consistent with ACF's mission, I encourage you to contact the Fannie Mae regional or Partnership Office closest to you. *(See the listing of our offices in the back of this brochure.)* Together we can build better homes, neighborhoods, and communities.

A handwritten signature in black ink that reads "Robert Levin". The signature is written in a cursive, flowing style.

Robert Levin
Executive Vice President,
Housing and Community Development

What Is ACF's Business?

Investment Types:

- Single Family
- Multifamily
- Neighborhood Retail

Products:

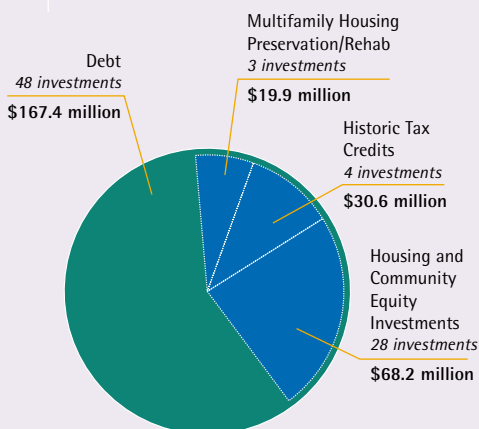
- Equity
 - Historic Tax Credits
 - Multifamily Rehabilitation
- Debt

Partners:

- Bank Partnerships
- Developers
- Not for Profits
- City and Federal Agencies
- Funds

What We've Done

Asset Composition



Total Closed:
83 Investments
\$286.1 million
As of December 1999

A Catalyst for Revitalization

Fannie Mae's American Communities Fund (ACF) is a debt and equity investment fund that provides financing for underserved communities where traditional capital for redevelopment is limited or unavailable.

Since its inception in 1996, ACF's mission has been to fund high-impact investments that serve as catalysts for further revitalization. Our investments stimulate greater redevelopment by motivating other investors to contribute to a neighborhood's improvement. The result is a community where life is better for residents and nearby businesses.

Many of our country's underserved cities, towns, and rural areas have significant assets, prime locations, and architecturally important historic buildings. However, often leaders and developers in these communities do not have adequate financing to revitalize a neighborhood. This is where ACF often bridges the gap by providing financial support.

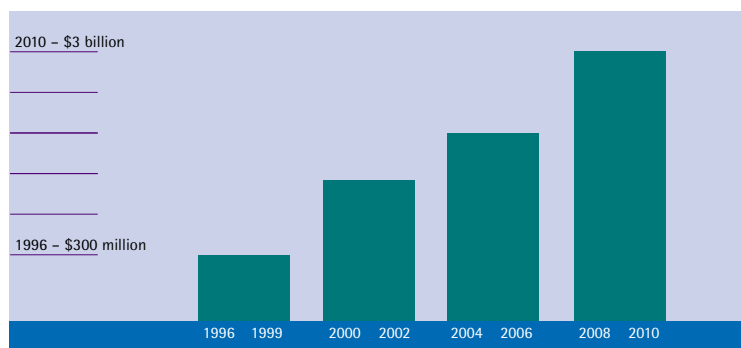
Funding Diverse Properties

Because Fannie Mae's mission is to increase opportunities for homeownership and affordable rental housing for all Americans, most ACF investments will provide quality, affordable single-family or multifamily housing. We also fund mixed-use and neighborhood retail developments designed to support housing by serving local residents. Some ACF investments help advance new technologies, methods, or products that support affordable housing or sustainable development.

Expanding Our Capital

Originally capitalized with \$100 million, by 1999 ACF made almost \$300 million in investments and diversified its product offerings. In 2000, Fannie Mae increased ACF's capitalization and committed to invest up to \$3 billion over the next 10 years. This expanded commitment means that more financing will be available to invest in communities, improve housing, and stimulate development across America.

ACF Investments



ACF's total capitalization commitment over the next 10 years is up to \$3 billion.

What We'll Do in the Future

Up to \$3 billion in ACF investments

ACF

The mission of the American Communities Fund (ACF) is to invest in tangible, high-impact residential and neighborhood retail developments. ACF leverages the resources of the financial industry, for-profit and nonprofit developers, the federal government, and state and local governments to catalyze the revitalization of emerging neighborhoods and downtowns. ACF is America's leading private-capital, community development investment fund.

Identifying Underserved Neighborhoods

ACF's investments focus on transforming distressed communities where conventional investors and lenders are often hesitant to provide capital and where we can engage in public-private partnerships.

ACF relies on Fannie Mae's regional and Partnership Offices to identify underserved neighborhoods and potential ACF investments. Our offices were created to foster local partnerships and leverage public and private resources while stimulating new ways to improve communities. (See the list of offices/contacts in the back of this brochure.)

Criteria for Potential Investments

When one of our regional or Partnership Offices brings a potential investment to the table, ACF evaluates several variables before deciding whether to invest. For instance, the development must be a real estate investment that is housing related and/or supports neighborhood revitalization. It also must have a significant impact on the community and accelerate or implement a community plan. Typically, our developments require capital sources that are not readily available in the market. ACF also looks for clear evidence of strong community support, such as the investment of state or city funds, tax abatements, Tax Increment Financing (TIFs), etc. We also fund investment proposals that support innovations in technology and energy conservation.

Like any prudent investor or lender, Fannie Mae expects a reasonable return on its investment. We look for partners experienced in the type of development being proposed, as well as developers with strong financial resources. Finally, we seek investments for which there is a demand in the marketplace.

A Checklist

Proposed investments must:

- provide housing and/or neighborhood retail
- make a significant impact on a community
- show strong local partnerships with governing bodies and other community stakeholders
- have partners experienced in the type of development being proposed, as well as developers with strong financial resources
- offer a reasonable return on investment
- demonstrate market viability

Once we determine that a proposal meets our criteria, ACF uses its suite of financial products to support the proposal's community revitalization goals. Please read on for a description of our equity, debt, and historic tax credit investment vehicles.



Woodridge Place, Washington, DC

ACF encourages its partners—whether government entities, nonprofit organizations, or private developers—to leverage their private capital with financial resources offered through numerous government-sponsored programs. Many such government programs are administered by the U.S. Department of Housing and Urban Development (HUD) and are for homebuilding and community improvements. They include:

- **Community Development Block Grants (CDBG):** HUD grants targeting low- and moderate-income areas and funding a variety of housing, infrastructure, and economic development activities
- **Historic Tax Credits:** offered by the federal government and some states to support high-quality historic restorations
- **HOME:** a HUD program financing construction and rehabilitation of affordable multifamily rental housing and assistance to new home buyers
- **HOPE VI:** HUD grants for demolition or rehabilitation of substandard public housing, replacing it with mixed-income developments
- **Municipal Bonds and Securities:** local government funds used to help finance developments or provided as collateral for other loans
- **Partnership in Advancing Technology in Housing (PATH):** A public-private initiative to improve housing affordability, durability, and energy efficiency

ACF's Investment Vehicles

ACF offers three investment vehicles—equity, debt, and historic tax credits.

Equity Investments

Typically, ACF equity investments exceed \$1 million; however, we will consider smaller investments that meet our mission and are financially feasible. In equity transactions, we require that our partners show a commitment to the investment's long-term success by taking a significant equity position. As an equity partner, ACF looks for key attributes in potential proposals:

- strong partners
- evidence of site control and firm construction costs
- financing from other public and private participants
- local government support for a development proposal
- strong market and financial feasibility
- a sound exit strategy

Debt Financing

ACF offers several debt products that fulfill the financing needs of developers and municipalities. ACF debt vehicles include a nonmortgage loan product, which may be used to bridge receipt of certain funds that are used to finance development and construction costs. ACF may also purchase a participation interest in a construction mortgage originated by a lender. The terms for these loans are typically five years or less, and payment schedules may take the form of interest only, periodic principal reduction, balloons at maturity, or fully amortized payments during the term of the loan. Collateral is a key aspect of debt investments. ACF employs three principal debt-financing vehicles:

- participation with a lead lender (usually a bank) to fund construction and/or rehabilitation
- bridge financing for site/land acquisition or predevelopment costs
- revolving credit facilities

Historic Tax Credit Investments

Many of the underserved areas targeted by ACF have historic properties that, once rehabilitated, can provide dramatic visual and community improvement and promote further reinvestment. Certified historic properties are eligible for historic tax credits when redeveloped according to federal restoration guidelines. ACF provides capital to qualified developers that undertake restoration in return for the federal historic tax credit. In certain circumstances, ACF will provide development equity in addition to historic tax credit equity. ACF generally considers developments with an historic tax credit of at least \$2 million.

Multifamily Rehabilitation

ACF provides investments to help finance multifamily projects that are suffering from deferred maintenance and in need of capital improvements. Potential partners must have a proven track record in rehabilitation projects and must be capable of co-investing with ACF. By providing funds to preserve and extend the life of multifamily properties, and to maintain them as affordable housing, ACF helps to increase affordable housing opportunities.

Ties to Lender Partners

Once construction is complete, homeowners can take advantage of traditional and nontraditional Fannie Mae mortgage products offered through our lender partners:

- Fannie Mae's Community Home Buyer's ProgramSM for low- and moderate-income buyers
- Fannie 97[®], which requires only a 3 percent down payment
- Fannie 3/2 OptionSM for reduced down payments
- FannieNeighbors[®], a mortgage product targeting the same types of underserved areas as ACF

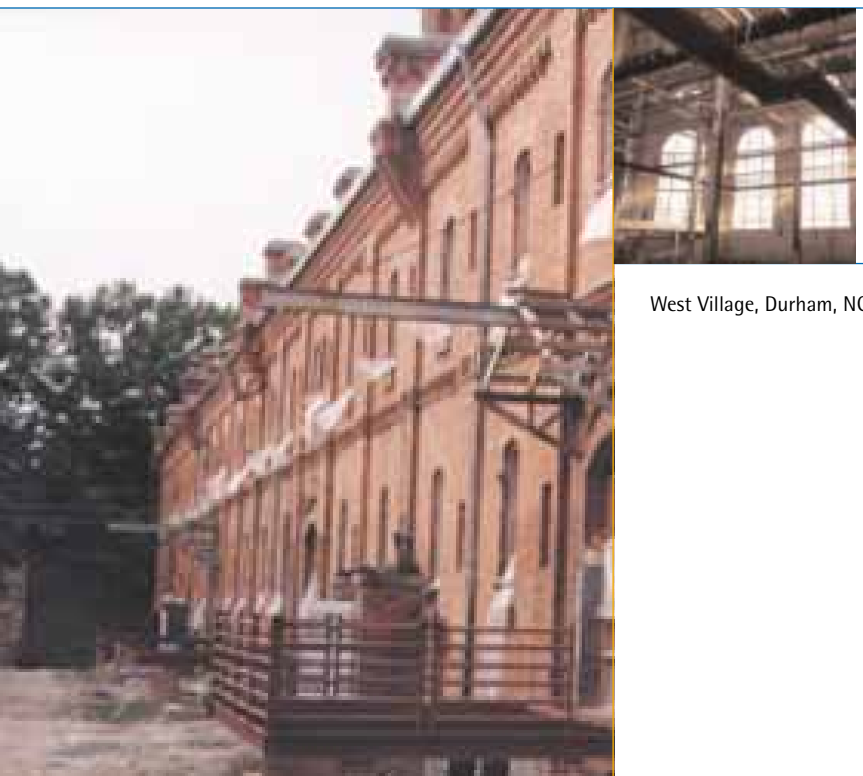


ACF and partners participate in groundbreaking of the Lee Harvard Shopping Center in Cleveland, Ohio.

From left to right: Rev. George O. Stewart, Zion Chapel Baptist Church; Robert Kay, New Village Capital Corp.; David A. Daberko, National City Bank; Danny Cameron, National City Community Development Corporation; The Honorable Joseph T. Jones, Councilman Ward 1, City of Cleveland; The Honorable Michael R. White, Mayor, City of Cleveland; John Kostellic, KeyBank; Chuck Ratner, Forest City Enterprises; Ken Bacon, Senior Vice President, ACF.

Working Successfully with Partners

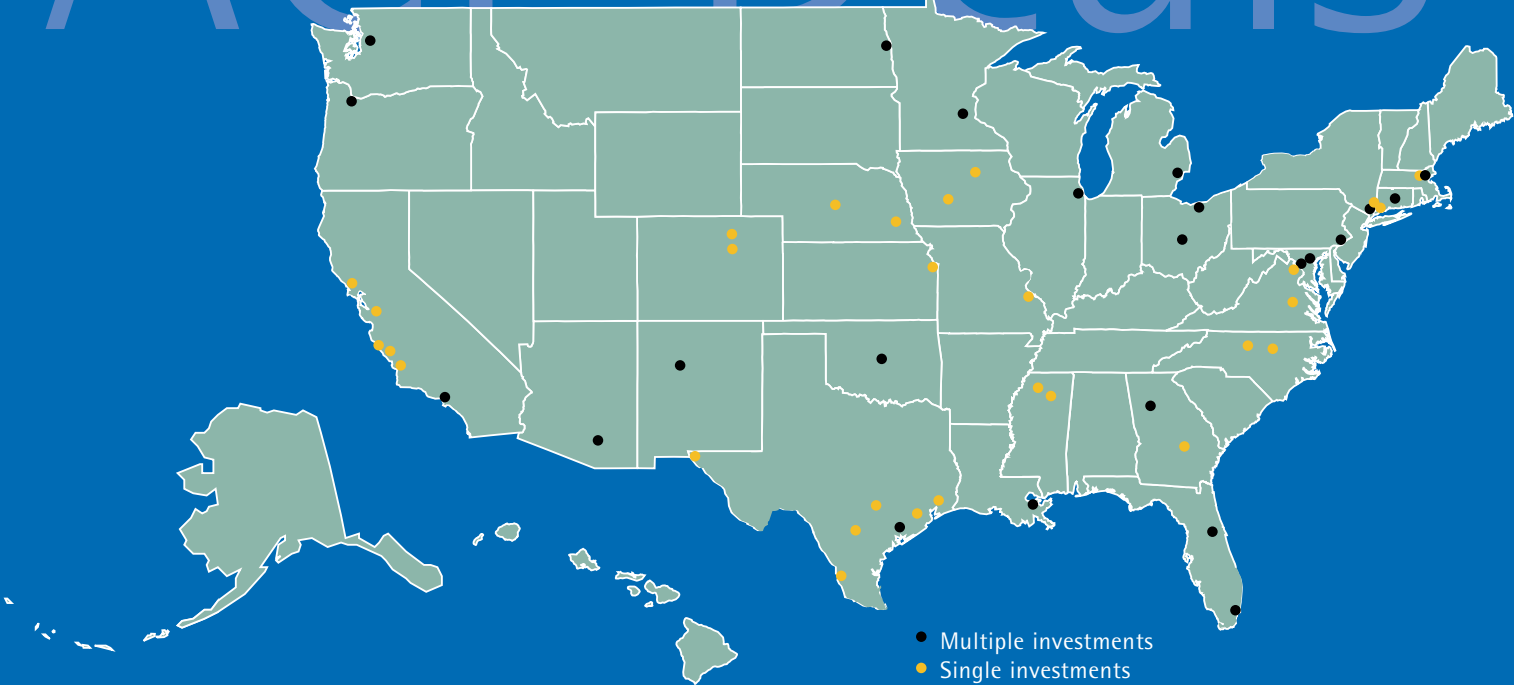
ACF seeks partners—both for-profit and nonprofit—with strong track records in the type of real estate development under consideration. Developers and other partners find that having Fannie Mae as an investing partner has many advantages. Fannie Mae's strong name and financial credibility can increase the credibility of an investment with a range of participants from vendors to lenders. The investment profiles that follow demonstrate the variety of partners with whom we've worked successfully.



West Village, Durham, NC

Since its inception in 1996, Fannie Mae's American Communities Fund has acted as an investor, lender, and partner for public, private, and nonprofit developers.

ACF Deals



Production up to 1999:

83 investments, 60 cities, and \$286.1 million total investments

In the new millennium:

Up to 3 billion in ACF investments



Debt Financing

ACF Bridges the Gap for Rural Nonprofit Home Builder

People's Self Help Housing Corporation (PSHHC) of California is an award-winning nonprofit with a 30-year track record of helping low-income families obtain or construct various types of affordable housing. PSHHC often works in rural settings, using an owner-builder model. Serving as developer, the nonprofit purchases land, takes it through the approval process, and installs the needed infrastructure. Typical PSHHC developments have 40 to 70 building sites.

PSHHC's families qualify for U.S. Department of Agriculture Rural Development Housing (USDA) loans; however, they cannot obtain financing until their site is ready. "That's where ACF funding has been so crucial for us," says PSHHC's Executive Director Jeanette Duncan. "Fannie Mae provides the bridge financing so we can acquire land and get it approved and ready for building. Once the families have their USDA loans, which include land and development costs, we can repay ACF."

ACF bridge financing helped PSHHC secure three development sites for 169 homes between 1996 and 1999. More recently, ACF bridge loans helped the group move quickly to purchase a 58-unit code-deficient apartment building near the University of California, Santa Barbara—the last bastion of low-income rental housing in a rapidly escalating real estate market. Using a combination of financing mechanisms—tax-exempt bonds, redevelopment agency set-asides, and private equity—PSHHC is renovating for the existing tenants. Noting the time it took to secure the multiple layers of investment capital, Duncan says, "Fannie Mae came through for us and was phenomenally helpful. We could never have done it otherwise."

Below, families roll up their sleeves to work on the Harvest Meadows Development in Templeton, CA—part of a single-family mutual self-help investment and one of three developments secured by ACF bridge financing.



Fannie Mae came through for us and was phenomenally helpful. We could never have done it otherwise.

Jeanette Duncan, Executive Director, PSHHC

Lakeshore Pointe

Award-Winning Community Investment

Shorebank Development Corporation and ACF invested equity in Lakeshore Pointe, an impressive new 87-unit, for-sale housing development on Chicago's South Shore. This was the first major investment in an area that suffered "white flight" and years of abandonment. Harris Bank provided loans for the \$16-million project.

This high-impact investment is now luring middle-class and racially mixed home buyers and families to Lakeshore's high-quality residences. Their presence will help revitalize a commercial area that has tremendous amenities, including views of Lake Michigan and access to the South Shore Cultural Center and Golf Course, public transit, and historic neighborhoods.

Lakeshore Pointe won the *Chicago Sun Times* "Project of the Year Award" in January 2000. This award-winning complex offers two- to four- bedroom townhomes and coach homes (with detached garages) at prices from \$149,900 to \$360,000.

Shorebank Development Corporation began revitalizing housing in the South Shore neighborhood in the 1970s and is still looking for ways to restore commercial viability. Lakeshore Pointe is the corporation's successful effort to create economic diversity in the neighborhood. ACF is seeking partnerships with similarly motivated institutions.

Conventional investors would not undertake the type of risk involved in a venture like Lakeshore Pointe. ACF and Shorebank Development Corporation are doing it because we have a mission to improve the community.

*Cindy Holler, Chief Operating Officer,
Shorebank Development Corporation*



View of the Southern boundary of the West parcel prior to demolition. Twenty-five new townhomes constructed in final phase of Lakeshore Pointe Development.



All Oasis homes have side-entry courtyards and red tile roofs, adding to their Southwestern/Spanish design.

Debt Financing

Oasis Ranch

Building Affordable Housing and Improving Quality of Life

The old, abandoned Oasis Drive-in Movie Theatre in West El Paso, Texas, was a litter-filled wasteland until creative developers combined the blighted parcel with some adjacent undeveloped land to form an affordable housing community.

Oasis Ranch is a unique joint venture (called Premier Communities) between a Mexican developer, Geo, S.A. de C.V., and Beazer Homes USA, one of this country's leading home builders.

To promote affordable homeownership options in El Paso's extremely tight real estate market, Fannie Mae's Border Region Partnership Office extended the new partnership a \$3 million revolving line of credit. This helped pay for site development and the construction of three model homes. Premier Communities and Fannie Mae were the key partners in this project construction.

The 39-acre Oasis Ranch offers two- to three- bedroom homes in four styles ranging from 724 to 1,225 square feet at prices from \$49,000 to \$59,000. All of Oasis' 215 duplex homes use an innovative block technology developed by Geo in Mexico.

Now, to assist the targeted population of low-income, first-time home buyers, the Texas Department of Housing and Community Affairs is offering eligible families assistance with down payments. Beazer Home Mortgage, a subsidiary of Beazer Homes USA, is handling the consumer financing, using several Fannie Mae home-buyer assistance tools to reduce down payments and closing costs, thus opening the opportunity to more families.

Having Fannie Mae behind us at Oasis Ranch was important in two ways. It gave us low-cost financing, which helped us keep our prices down for our customers, and it also let our suppliers and vendors know that we are a serious and trustworthy developer.

Jim Tobin, Chief Financial Officer, Premier Communities

Geo developed an inventive, low-cost process for producing textured brick-colored blocks. Extremely durable, with excellent insulation properties, they also withstand Texas' heat and termites.



Equity Investment

Borinquen Plaza

ACF made a major investment in this busy new shopping center, providing much-needed shopping and a boost to the local economy.



Gateway to Neighborhood Revitalization

Like many communities targeted by ACF, vacant lots, boarded-up and abandoned properties, and a declining population characterized the north Philadelphia area near Sixth Street and Germantown Avenue. Considerable local purchasing power was leaving this predominantly Hispanic (48%) and African-American (45%) neighborhood.

The city of Philadelphia and the local Community Development Corporation, Asociación De Puertorriqueños en Marcha, Inc. (APM), recognized retail services as a key to retaining residents, thus supporting housing in the area and boosting job creation and economic development.

APM, through a variety of sources, put together the financing for acquisition, site development, and construction of Borinquen Gateway Plaza, a bustling new 46,000 square foot shopping center. ACF committed more than \$1 million of equity funding to the project's \$4.2 million in total development costs.

Funding partners also included the city of Philadelphia, the Philadelphia Commerce Department, the U.S. Department of Health and Human Services, and the William Penn Foundation. These partners provided a combined \$1.7 million in grants. Loans totaling almost \$1.4 million came from Wilmington Trust and the Local Initiative Support Corporation.

Brown's Thriftway Groceries signed a guaranteed ten-year lease for most of the rental area prior to construction. A laundromat and a medical clinic are also renting in the plaza. The plaza's construction created 50 jobs, and the supermarket is now providing 75 full- and part-time jobs—many held by local area residents.

Rose Gray, APM's director of development, emphasizes, "Borinquen Gateway Plaza is a catalyst for continual development." New housing is the next order of business for APM, which is building a 100-unit development of new affordable homes selling for about \$60,000. APM is also nearing completion on a 42-unit development of semi-detached rental homes. Both housing developments are within three blocks of the new plaza.

Gray says Borinquen is attracting new investment both in the nearby American Street Federal Enterprise Zone where the plaza is located and the area around neighboring Temple University.

Expanding Homeownership Opportunities

An emerging use of ACF resources is our participation with banks in financing housing rehabilitation or new affordable home construction, especially in underserved areas. Two agreements illustrate the concept.

Riggs Bank, an established Washington, DC, institution, and ACF each committed \$10 million to expand homeownership in underserved communities in the nation's capital—a major goal for the city. Riggs is lead lender, originating construction loans in which ACF buys a half interest. This commitment is helping the city create affordable new and rehabilitated homes, especially in minority neighborhoods.

In a related initiative, Howard University and ACF partnered in an employee-assisted housing program. Riggs and ACF are financing the rehabilitation of 43 turn-of-the-century townhouses adjacent to the university. With an ACF loan, Howard is helping its employees with down payment and closing costs to purchase the newly restored homes.

A much larger master participation is with Fleet, a bank with branches throughout the Northeast and in Florida. Fleet and ACF committed \$50 million each to construction loans for multifamily and single-family homes and neighborhood-serving retail. Most are expected to be “mini-perm” loans of about three to five years, allowing time for construction, lease up, and establishment of a stable cash flow and conversions to conventional financing.

Our partnership with ACF offers Riggs an opportunity to meet our goals for increasing community development. Fannie Mae's client-centered technical assistance, for example with Howard University, and our construction management expertise allowed us both to do more.

Russell Simmons, Senior Vice President and Director of Community Re-investment, Riggs Bank



Debt Financing

ACF's lending participation with banks is rehabilitating older homes like Oakdale Place, which is located near Howard University, and building new affordable housing especially in minority neighborhoods.

Equity/Historic
Tax Credit
Investment

Venus Gardens



Historic renovation of this once grand department store brought significant tax credits to the project as well as restoring character, beauty, and commercial activity to the boulevard.



New Orleans Historic Renovation Starts a Renaissance

Renovation of a flagship commercial building in a distressed inner-city neighborhood is spurring redevelopment in New Orleans. ACF's historic tax credit investment in the Venus Gardens complex helped resurrect an historic building that was abandoned in the 1980s as the area's retail corridor declined.

Fannie Mae's New Orleans Partnership Office sought out First Commerce Community Development Corporation, a nonprofit CDC with a track record for managing historic renovations. The CDC, created by First National Bank of Commerce (FNBC), since taken over by BankOne, and Fannie Mae quickly settled on Venus Gardens as a prime opportunity to use ACF and historic tax credits for neighborhood revitalization. ACF provided capital for restoration in return for the federal credit.

Because Venus Gardens is located on O.C. Haley Boulevard in the Central City enterprise zone, the city also viewed the transformation of this property as a key change agent for the area. The CDC and Fannie Mae set up a limited liability company to renovate Venus Gardens. FNBC/BankOne provided construction loans and permanent financing; the city provided a low-interest loan and some tax abatement; and ACF made an equity investment of approximately \$1 million to the project's \$2.6 million costs. Two neighborhood nonprofits also made small investments and played a valuable role in community input. The high-quality restoration benefited from more than \$500,000 in historic tax credits.

Mayor Marc Morial predicted at a ribbon cutting ceremony that, "This new apartment complex not only will provide affordable housing to local residents, it also will attract new businesses and act as a catalyst for other economic initiatives in the neighborhood." That outlook proved correct. The newly renovated historic building houses arts-related businesses in its fully occupied, street-level retail space. The 30 loft apartments on its upper two floors, renting at \$525 to \$800 per month, are attractive for people who want to live downtown.

Albertson's grocery chain chose a site just behind Venus Gardens for a new store, providing much-needed shopping and many jobs for the neighborhood. Directly across the street, a new café opened in a former furniture store. Says On-Site Manager Kathy Laborde, who also led the CDC, "This is just what the city wants the boulevard to be—a draw for city businesses, residents, and tourists."



This community, with ACF as a major investor, combines the best of the past and future, focusing on efficiency and sustainability.

Civano

Equity Investment

A Focus on Sustainability and Community

The new community of Civano in Tucson, Arizona, artfully blends the best of the past and the future. Designed by visionary thinkers, it incorporates “neo-traditional” neighborhood design with cutting-edge building technology and energy efficiency.

The city of Tucson supported the development with \$30 million in infrastructure financing because Civano is a national model for reducing water, energy, and transportation demands.

ACF became an equity investor in Civano to demonstrate market receptivity to its eco- and community-friendly design as a model for sustainability. Civano is also a model of President Clinton’s Partnership for Advancing Technology in Housing (PATH) initiative.

The master planned, mixed-use community will contain 2,600 homes ranging from the low \$100,000s up to \$200,000 and custom. Its 1,145 acres include a 25-acre office/retail site for local employment and services, a community center, 243 acres of green space, and other amenities.

Many organizations are willing to buy historic tax credits. What’s harder to do is to bet on the success of a project. ACF will be a financial partner for a nonprofit underwriting the project. ACF has the guts to take the risk and believe that the development will lease up and be successful in the market.

John Leith-Tetrault, Director of Community Partners Program, National Trust for Historic Preservation



Equity Investment

Oxon Creek

ACF's investment in Oxon Creek helped build these beautiful traditional-style homes, visually transforming a neighborhood once filled with abandoned apartment blocks and increasing opportunities for homeownership in our nation's capital.



Oxon Creek Replaces Abandoned Units with New Townhomes

Southeast Washington, DC, with its sweeping views of the Capitol, its proximity and good public transit, has potentially one of the best locations in the nation's capital. However, poor housing stock, under-maintained public housing, and acres of abandoned units made Southeast undesirable. Recent redevelopment efforts improved multifamily housing and shopping, yet the area's homeownership rate (under 20 percent) is the lowest of any ward in the city. There simply is no supply of homes for sale.

To meet this need, ACF teamed with William C. Smith & Company and made a \$2.8 million equity investment to build Oxon Creek, a community of 210 affordable townhomes. William C. Smith & Company, owner and manager of some 12,000 apartments in DC, already had made a major stake in the community; the company created a magnificent water park and renovated 874 rental apartments in its Parklands development.

ACF, the city, and W.C. Smith & Company all shared the goal of increasing homeownership. "We wanted to add reasonably priced homes for sale to Parklands for many reasons," says W.C. Smith Senior Vice President Desa Sealy Ruffin. "We were losing some of our best residents simply because they, like so many of us, wanted to buy. Given the abundance of multifamily housing, we wanted to reduce density and increase homeownership in the community." Ruffin adds that the timing was perfect. "Fannie Mae had just launched ACF, and it was the first place we went for financing."

With the \$2.8 million ACF investment and construction financing from a local lender, Bank of America, W.C. Smith & Company demolished 34 vacant and abandoned apartment buildings and created the new townhome community of Oxon Creek as the final piece of its larger Parklands venture.

The 210 new homes range in price from \$99,500 to \$138,000. Both the District of Columbia and the federal government offer financial incentives for first-time home buyers in the city, helping to make homeownership at Oxon Creek available to families with household incomes beginning at \$27,000 to \$30,000.

As Alvin Nichols of Fannie Mae's Washington, DC Partnership Offices puts it, "Oxon Creek shows what quality development with expertise and strength of capital can accomplish."

Jump Starting Revitalization

The city of Baltimore's Housing and Community Development Department used ACF loans to accelerate pre-approved, ready-to-build projects awaiting government funding. The city uses a \$10 million ACF revolving line of credit to get projects underway, reimbursing ACF upon receipt of its HOME, Community Development Block Grant, or other funds.

"The ACF funding has helped us close the timing gap between when we're ready and when our federal or city funds are ready," says Arthur Gray, acting director of the department. "[The financing is] keeping the momentum going and the pipeline of projects moving," he added. Moving quickly speeds revitalization, rapidly addresses blight, and saves money at a time when construction costs are increasing at almost 15 percent per year. "The result is more affordable units available sooner—that's a big benefit to the city," emphasizes Gray.

Baltimore began working with ACF in 1996. This model of ACF providing credit financing while public agencies await their government funding is being used in Atlanta and Denver and with Oregon's Department of Housing and Community Development.

The ACF loan is helping us on two fronts: on the community development side, we're moving quickly to address blight; on the economic side, we're saving money by avoiding higher construction costs.

Arthur Gray, Acting Director, Baltimore Housing and Community Development Department



ACF debt investments are helping cities, like the city of Baltimore, get revitalization projects started sooner, saving money and bringing the benefits of renewal more quickly.



To the right is the Baltimore Senior Housing development located at Bowleys Lane, in Northwest Baltimore. Seventy-eight low-income rental units received HOME assistance and are rented to households earning below 60 percent of the area median income.



ACF: A Match for Your Community's Needs

ACF relies on Fannie Mae's regional and Partnership Offices to submit proposals to our headquarters for review, underwriting, and funding approval. As you can see from the information and profiles presented in this brochure, we also rely on creative local partnerships.

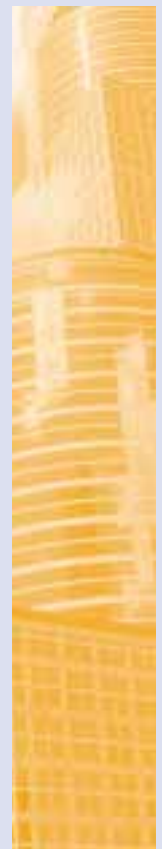
If you are developing a property proposal that you think matches our mission and investment criteria, contact your nearest Fannie Mae regional or Partnership Office. A listing of our offices is included in the back of this brochure. Together we can work to make ACF a partner in your community.

ACF Investments

2010 - \$3 billion

ACF's track record shows a continued commitment to provide investments that transform neighborhoods throughout the United States. In the new millennium, ACF's investment commitment is up to \$3 billion in debt and equity financing for community development and revitalization.

1996 - \$300 million



1996 1999 2000 2002 2004 2006 2008 2010

ACF

ACF has strategically located Partnership Offices and is good at evaluating risk. Few investors want to put money into a city they don't know. Fannie Mae's ACF has a grassroots understanding of the local market.

*John Leith-Tetrault,
Director of Community Partners Program,
National Trust for Historic Preservation*





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