



Fourth Quarter 2006
Supplemental Financial Package
Conference Call
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Fourth Quarter 2006 Supplemental Financial Package

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Certain statements in this document may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks and uncertainties are detailed in CharterMac's most recent Annual Report on Form 10-K and in its other filings with the Securities and Exchange Commission, and include, among others, adverse changes in the real estate markets including, among other things, competition with other companies; interest rate fluctuations; general economic and business conditions, which will, among other things, affect the availability and credit worthiness of prospective tenants, lease rents and the terms and availability of financing for properties financed by mortgage revenue bonds we own; environment/safety requirements; changes in applicable laws and regulations; our tax treatment, the tax treatment of our subsidiaries and the tax treatment of our investments; risk of default associated with the mortgage revenue bonds and other securities held by us or our subsidiaries; risks associated with providing credit intermediation; risk of loss under mortgage banking loss sharing agreements; the risk that relationships with key investors and developers may not continue; our ability to generate fee income may not continue; and risks related to the form and structure of our financing arrangements.. Such forward-looking statements speak only as of the date of this document. CharterMac expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in CharterMac's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

Financial Highlights

(In thousands, except per share data)

	Three Months Ended December 31,			Year Ended December 31,		
	2006	2005	% change	2006	2005	% change
Operating Data						
Revenues ⁽¹⁾	\$ 107,783	\$ 89,845	20.0%	\$ 371,242	\$ 320,520	15.8%
Cash Available for Distribution ("CAD")	\$ 28,469	\$ 27,287	4.3%	\$ 111,030	\$ 114,710	(3.2%)
Net Income	\$ 7,818	\$ 6,107	28.0%	\$ 41,294	\$ 59,014	(30.0%)
Net Income Available to Shareholders ⁽²⁾	\$ 6,630	\$ 4,919	34.8%	\$ 36,542	\$ 56,994	(35.9%)
Per Share Data ⁽²⁾ :						
CAD per Diluted Share	\$ 0.49	\$ 0.47	4.3%	\$ 1.89	\$ 1.97	(4.1%)
Net Income per Diluted Share	\$ 0.11	\$ 0.08	41.8%	\$ 0.62	\$ 0.98	(36.5%)
Dividends per Share	\$ 0.42	\$ 0.42	0.0%	\$ 1.68	\$ 1.65	1.8%
Weighted Average Diluted Shares	58,458	58,532	(0.1%)	58,711	58,291	0.7%
Total Market Capitalization						
Total Debt ⁽¹⁾	\$ 2,392,335	\$ 1,734,580				
Preferred Equity of Subsidiary ⁽³⁾	377,500	377,500				
4.4% CRA Preferred Equity	108,000	108,000				
Equity at Market Value	1,241,610	1,238,501				
Total Market Capitalization	<u>\$ 4,119,445</u>	<u>\$ 3,458,581</u>				
Total Assets ⁽¹⁾	<u>\$ 4,190,308</u>	<u>\$ 3,613,143</u>				
Total Debt to Total Assets	57.1%	48.0%				
Total Debt to Total Market Capitalization	58.1%	50.2%				
Total Shares Outstanding at Period-End	57,830	58,475				
Closing Common Share Price at Period-End	\$ 21.47	\$ 21.18				

Notes:

⁽¹⁾ Adjusted to exclude Consolidated Partnerships (see pages 5 and 6).

⁽²⁾ Unless specified otherwise, all references to shares and shareholders include CRA shares, excluding 4.4% CRA Preferred shares.

⁽³⁾ \$273.5 million of our cumulative preferred shares are subject to mandatory repurchase and are classified as liabilities on our balance sheet.

Financial Ratios ⁽¹⁾

Ratios	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
Interest Coverage	2.1x	2.8x	2.4x	3.6x
Fixed Charge Coverage	1.7x	2.0x	1.9x	2.4x
CAD Payout Ratio (per diluted share)	85.7%	89.4%	88.9%	83.8%

Coverage Ratio Calculations

(In thousands, except ratios)

	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
Income before income taxes	\$ 10,401	\$ (8,754)	\$ 47,786	\$ 30,437
Interest expense (including preferred dividends characterized as interest)	35,130	23,002	115,953	75,596
Income allocated to preferred shareholders of subsidiary	1,556	1,556	6,225	6,225
Income allocated to Minority Interests	2,793	1,849	16,094	23,421
Depreciation and amortization, including write-off of intangible assets	13,063	33,295	50,171	66,762
Net income as adjusted	<u>\$ 62,943</u>	<u>\$ 50,948</u>	<u>\$ 236,229</u>	<u>\$ 202,441</u>
Interest Expense	\$ 35,130	\$ 23,002	\$ 115,953	\$ 75,596
Less: interest expense - distribution to preferred shareholders of subsidiary	(4,725)	(4,725)	(18,898)	(18,898)
Interest expense (excluding preferred dividends characterized as interest)	<u>\$ 30,405</u>	<u>\$ 18,277</u>	<u>\$ 97,055</u>	<u>\$ 56,698</u>
Interest coverage ratio	<u>2.1x</u>	<u>2.8x</u>	<u>2.4x</u>	<u>3.6x</u>
Interest expense (excluding preferred dividends characterized as interest)	\$ 30,405	\$ 18,277	\$ 97,055	\$ 56,698
Income allocated to preferred shareholders of subsidiary	1,556	1,556	6,225	6,225
Preferred dividends of subsidiary characterized as interest	4,725	4,725	18,898	18,898
4.4% CRA Preferred dividends	1,188	1,188	4,752	2,020
Total fixed charges	<u>\$ 37,874</u>	<u>\$ 25,746</u>	<u>\$ 126,930</u>	<u>\$ 83,841</u>
Fixed charge coverage ratio	<u>1.7x</u>	<u>2.0x</u>	<u>1.9x</u>	<u>2.4x</u>

Note:

⁽¹⁾ Excludes income/expenses of Consolidated Partnerships (see page 6).

Consolidated Balance Sheets

(In thousands)	December 31, 2006		December 31, 2005	
	As Reported	As Adjusted ⁽¹⁾	As Reported	As Adjusted ⁽¹⁾
Assets				
Mortgage revenue bonds - at fair value	\$ 2,397,738	\$ 2,747,311	\$ 2,294,787	\$ 2,488,600
Cash and cash equivalents (including restricted cash)	193,750	193,750	195,320	195,320
Goodwill and other intangible assets, net	542,277	542,277	439,175	439,175
Other investments	338,920	407,884	298,590	298,580
Deferred charges	-	-	-	-
Related Party Note	15,000	15,000	-	-
Other assets	196,145	284,086	135,509	191,468
Other assets, net	211,145	299,086	135,509	191,468
Investments held by Consolidated Partnerships	4,965,907	-	3,025,762	-
Other assets of Consolidated Partnerships	1,038,779	-	579,614	-
Total Assets	\$ 9,688,516	\$ 4,190,308	\$ 6,968,757	\$ 3,613,143
Liabilities and Shareholders' Equity				
Liabilities				
Financing arrangements	\$ 1,801,170	\$ 1,801,170	\$ 1,429,692	\$ 1,429,692
Preferred shares of subsidiary (subject to mandatory repurchase)	273,500	273,500	273,500	273,500
Notes payable	591,165	591,165	304,888	304,888
Accounts payable, accrued expenses and other liabilities	214,344	219,222	178,365	179,275
Notes payable and other liabilities of Consolidated Partnerships	2,700,154	-	1,618,395	-
Total Liabilities	5,580,333	2,885,057	3,804,840	2,187,355
Minority interests in consolidated subsidiaries	247,390	247,390	262,274	262,274
Preferred shares of subsidiary (not subject to mandatory repurchase)	104,000	104,000	104,000	104,000
Partners' interests in Consolidated Partnerships	2,806,661	-	1,747,808	-
Shareholders' Equity				
Beneficial owners' equity - 4.4% CRA Preferred shares	104,498	104,498	104,498	104,498
Beneficial owners' equity - convertible CRA shares	97,499	97,499	104,369	104,369
Beneficial owners' equity - special preferred voting shares	148	148	150	150
Beneficial owners' equity - other common shares	709,142	709,142	752,042	752,042
Restricted shares granted	-	-	(4,193)	(4,193)
Treasury shares of beneficial interest - common	(28,018)	(28,018)	(7,135)	(7,135)
Accumulated other comprehensive income	66,863	70,592	100,104	109,783
Total Shareholders' Equity	950,132	953,861	1,049,835	1,059,514
Total Liabilities and Shareholders' Equity	\$ 9,688,516	\$ 4,190,308	\$ 6,968,757	\$ 3,613,143

Note:

⁽¹⁾ Adjusted to exclude Consolidated Partnerships.

Consolidated Statements of Income

(In thousands, except per share data)

	Three Months Ended December 31,				Year Ended December 31,			
	2006		2005		2006		2005	
	As Reported	As Adjusted ⁽¹⁾	As Reported	As Adjusted ⁽¹⁾	As Reported	As Adjusted ⁽¹⁾	As Reported	As Adjusted ⁽¹⁾
Revenues:								
Mortgage revenue bond interest income	\$ 41,391	\$ 46,517	\$ 36,500	\$ 37,140	\$ 156,500	\$ 167,698	\$ 146,024	\$ 149,579
Other interest income	14,070	14,122	5,334	5,387	34,159	34,369	16,162	16,483
Fee income:								
Fund sponsorship	10,359	23,414	17,301	29,253	44,738	91,890	50,982	90,690
Mortgage banking	9,492	9,492	7,054	7,054	34,248	34,248	27,104	27,104
Credit intermediation	980	2,154	1,739	2,600	5,215	9,004	6,694	9,846
Other revenues ⁽²⁾	10,260	12,084	7,206	8,410	28,661	34,033	24,035	26,818
Revenues of Consolidated Partnerships	41,390	-	4,694	1	83,738	-	24,096	-
Total revenues	127,942	107,783	79,828	89,845	387,259	371,242	295,097	320,520
Expenses:								
Interest expense	35,130	35,130	23,002	23,002	115,953	115,953	75,596	75,596
Interest and other expenses of Consolidated Partnerships	47,875	-	17,818	-	123,872	-	76,132	-
General and administrative:								
Salaries and benefits	30,113	30,113	18,408	18,408	94,916	94,916	68,983	68,983
Fund origination and property acquisition expenses	1,137	1,137	6,281	6,281	12,338	12,338	15,704	15,704
Other	18,293	18,293	14,275	14,275	58,394	58,394	43,926	43,926
Total general and administrative expenses	49,543	49,543	38,964	38,964	165,648	165,648	128,613	128,613
Depreciation and amortization	12,966	12,966	10,728	10,728	47,527	47,527	44,195	44,195
Write-off of intangible assets	97	97	22,567	22,567	2,644	2,644	22,567	22,567
Loss on impairment of assets	2,338	2,338	2,653	2,653	5,003	5,003	4,555	4,555
Total expenses	147,949	100,074	115,732	97,914	460,647	336,775	351,658	275,526
(Loss) / income before other income	(20,007)	7,709	(35,904)	(8,069)	(73,388)	34,467	(56,561)	44,994
Equity and other income	1,703	4,928	5,547	5,544	1,978	17,268	7,037	7,027
Loss on investments held by Consolidated Partnerships	(69,157)	-	(66,071)	-	(278,232)	-	(247,986)	-
Gain (loss) on sale or repayment of loans and mortgage revenue bonds	2,113	2,113	(2,824)	(2,824)	18,370	18,370	8,062	8,062
Income allocated to preferred shareholders of subsidiary	(1,556)	(1,556)	(1,556)	(1,556)	(6,225)	(6,225)	(6,225)	(6,225)
Income allocated to minority interests, net of tax	(2,793)	(2,793)	(1,849)	(1,849)	(16,094)	(16,094)	(23,421)	(23,421)
Losses allocated to partners of Consolidated Partnerships	100,098	-	93,903	-	401,377	-	349,531	-
Income (loss) before income taxes	10,401	10,401	(8,754)	(8,754)	47,786	47,786	30,437	30,437
Income tax (provision) benefit	(2,583)	(2,583)	14,861	14,861	(6,492)	(6,492)	28,577	28,577
Net income	\$ 7,818	\$ 7,818	\$ 6,107	\$ 6,107	\$ 41,294	\$ 41,294	\$ 59,014	\$ 59,014
4.4% CRA Preferred dividend requirements	(1,188)	(1,188)	(1,188)	(1,188)	(4,752)	(4,752)	(2,020)	(2,020)
Net income available to common and CRA shareholders	\$ 6,630	\$ 6,630	\$ 4,919	\$ 4,919	\$ 36,542	\$ 36,542	\$ 56,994	\$ 56,994
Net income per share:								
Basic	\$ 0.11	\$ 0.11	\$ 0.08	\$ 0.08	\$ 0.63	\$ 0.63	\$ 0.98	\$ 0.98
Diluted	\$ 0.11	\$ 0.11	\$ 0.08	\$ 0.08	\$ 0.62	\$ 0.62	\$ 0.98	\$ 0.98
Weighted average shares outstanding:								
Basic	57,878	57,878	58,294	58,294	58,154	58,154	58,018	58,018
Diluted	58,458	58,458	58,532	58,532	58,711	58,711	58,291	58,291

Notes:

⁽¹⁾ Adjusted to exclude Consolidated Partnerships.

⁽²⁾ Includes prepayment penalties, servicing fees, expense reimbursements and other revenues as detailed in Management's Discussion and Analysis in the Company's Form 10-K.

Reconciliation of Net Income to Cash Available for Distribution ("CAD")

	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
(In thousands)				
Net income	\$ 7,818	\$ 6,107	\$ 41,294	\$ 59,014
4.4% CRA Preferred dividends	(1,188)	(1,188)	(4,752)	(2,020)
Interest income yield adjustments ⁽¹⁾	52	64	4,137	(596)
Fees deferred for GAAP ⁽²⁾	6,612	2,172	30,426	23,930
Depreciation and amortization expense ⁽³⁾	13,065	33,295	50,171	66,762
Gain on sale of loans ⁽⁴⁾	(1,855)	(773)	(10,855)	(11,140)
Tax adjustment ⁽⁵⁾	1,898	(15,839)	2,180	(27,866)
Non-cash compensation ⁽⁶⁾	6,766	3,242	19,348	8,541
Difference between subsidiary equity distributions and income allocated to subsidiary equity holders ⁽⁷⁾	(6,031)	(6,873)	(19,243)	(11,245)
Non-cash equity income	(499)	124	(6,253)	358
Loss on impairment of assets	2,338	2,653	5,003	4,555
Other, net	(507)	4,303	(426)	4,417
CAD	\$ 28,469	\$ 27,287	\$ 111,030	\$ 114,710

Notes:

⁽¹⁾ Represents the adjustment for amortization of bond discounts or premiums that are recognized immediately for CAD but are deferred and recognized over time for GAAP accounting, as well as the difference between actual interest income received and income recognized under the effective yield method.

⁽²⁾ Represents the net difference between fees received at the time of a transaction that are recognized immediately for CAD but are deferred and recognized over time for GAAP accounting (e.g.: fund sponsorship fees recognized over the relevant service periods) or upon a later event (such as mortgage origination fees recognized upon settlement of a loan sale).

⁽³⁾ Represents the add-back of non-cash expense for amortization of intangible assets (amortized over the useful lives of the assets) and deferred financing costs (amortized over the term of the debt issued) as well as depreciation of fixed assets and the write-off of intangible assets.

⁽⁴⁾ Represents non-cash gain recognized on sale of mortgage loans when servicing rights are retained, as well as gains on sales of mortgage revenue bonds.

⁽⁵⁾ Represents the difference between the tax benefit recorded and the net cash amount the Company expects to pay or receive in relation to current period.

⁽⁶⁾ Represents the add-back of amortization of costs recognized for share-based compensation and beginning in 2006, non-cash compensation related to fund earnings.

⁽⁷⁾ Represents the difference between actual distributions to SCU, SMU and SCI holders (which is based on the common share distribution rate) and accounting allocation of earnings, which is based on the subsidiary equity's portion of combined common, CRA and subsidiary equity in allocating GAAP net income.

There is no generally accepted methodology for computing CAD, and the Company's computation of CAD may not be comparable to CAD reported by other companies. CAD does not represent net cash provided by operating activities determined in accordance with GAAP and should not be considered as an alternative to net income (determined in accordance with GAAP) as an indication of the Company's performance, as an alternative to net cash provided from operating activities (determined in accordance with GAAP) as a measure of our liquidity, or as an indication of our ability to make cash distributions.

Weighted Average Shares

(In thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
Weighted average basic shares	57,878	58,294	58,154	58,018
Effect of dilutive securities ^{(1), (2)}	580	238	557	273
Weighted Average Diluted Shares	58,458	58,532	58,711	58,291

Notes:

⁽¹⁾ Dilutive securities include share options and restricted common shares granted to employees.

⁽²⁾ Common share equivalent of 4.4% CRA Preferred Shares and subsidiary equity units not included, as the effect is anti-dilutive.

Capitalization as of December 31, 2006

(In thousands, except per share data)

COMMON EQUITY

Description	Shares Outstanding	Common Share Equivalent	Period-End Common Share Price	Market Value
Common Shares	51,343	51,343	\$21.47	\$ 1,102,334
Convertible CRA Shares	6,552	6,487	\$21.47	139,276
Total of Common and CRA Shares		57,830		\$ 1,241,610

PREFERRED EQUITY

Description	Dividend Rate (Weighted Average)	Liquidation Preference (Total Par)	Ratings ⁽²⁾	Initial Remarketing Date
CharterMac 4.4% CRA Preferred Shares				
4.4% CRA Preferred Shares	4.400%	\$ 108,000	None	July 2015
Equity Issuer Trust Cumulative Preferred Shares ⁽¹⁾				
Series A	6.625%	\$ 90,000	A3	June 2009
Series A-1	7.100%	24,000	A3	June 2009
Series A-2	6.300%	31,000	A3	June 2009
Series A-3	6.800%	30,000	A3	October 2014
Subordinate Series B	7.600%	55,000	Baa1	November 2010
Subordinate Series B-1	6.800%	18,500	Baa1	November 2010
Subordinate Series B-2	7.200%	25,000	Baa1	October 2014
Total Mandatory Redemption / Weighted Average	6.910%	\$ 273,500		
Series A-4-1	5.750%	\$ 30,000	A3	April 2015
Series A-4-2	6.000%	29,000	A3	April 2019
Subordinate Series B-3-1	6.000%	25,000	Baa1	April 2015
Subordinate Series B-3-2	6.300%	20,000	Baa1	April 2019
Total Perpetual / Weighted Average	5.986%	\$ 104,000		
Total / Weighted Average	6.655%	\$ 377,500		

Notes:

⁽¹⁾ Equity Issuer Trust is a 100% indirectly owned subsidiary of CharterMac and is rated A2 by Moody's Investors Service.

⁽²⁾ Ratings provided by Moody's Investors Service at time of issuance.

**Capitalization as of
December 31, 2006**

(continued)

(In thousands)

DEBT

Description	Program	Weighted Average Interest Rate at Period-End	Outstanding Balance	Percentage of Total Debt
Financing Arrangements	P-FLOATs/RITES, Floaters/Residuals	4.80% ⁽¹⁾	\$ 1,348,180	56.4%
Financing Arrangements	Fixed-Rate Securitization	4.61%	452,990	18.9%
Notes Payable	Term Loan	7.75% ⁽³⁾	249,375	10.4%
Notes Payable	Revolver	7.07% ⁽³⁾	177,500	7.4%
Notes Payable	Lines of Credit	6.10% ⁽⁴⁾	122,692	5.1%
Notes Payable	CMBS Repo Line	5.83% ⁽²⁾	41,598	1.7%
Weighted Average / Total		5.32%	\$ 2,392,335	100.0%

Effective Fixed-Rate vs. Variable-Rate Funding Exposure

	Before Interest Rate Swaps		Interest Rate Swaps	After Interest Rate Swaps		Total
	Variable-Rate	Fixed-Rate		Variable-Rate	Fixed-Rate	
Financing Arrangements and Notes Payable	\$ 1,939,345	\$ 452,990	\$ (725,000)	\$ 1,214,345	\$ 452,990	\$ 1,667,335
Variable- to Fixed-Rate Swaps	-	-	725,000	-	725,000	725,000
Preferred Equity of Subsidiary ⁽⁵⁾	-	377,500	-	-	377,500	377,500
4.4% CRA Preferred Equity ⁽⁵⁾	-	108,000	-	-	108,000	108,000
Common and CRA Equity ⁽⁶⁾	-	1,241,610	-	-	1,241,610	1,241,610
Total Funding Sources	\$ 1,939,345	\$ 2,180,100		\$ 1,214,345	\$ 2,905,100	\$ 4,119,445
% of Total	47.1%	52.9%		29.5%	70.5%	

Notes:

⁽¹⁾ The interest rates on these securitization programs are based on a spread above BMA and include the securitization fees paid for credit intermediation, liquidity, remarketing, and other. Also includes the cost or benefit of our outstanding swaps.

⁽²⁾ Represents five repurchase agreements with five counterparties.

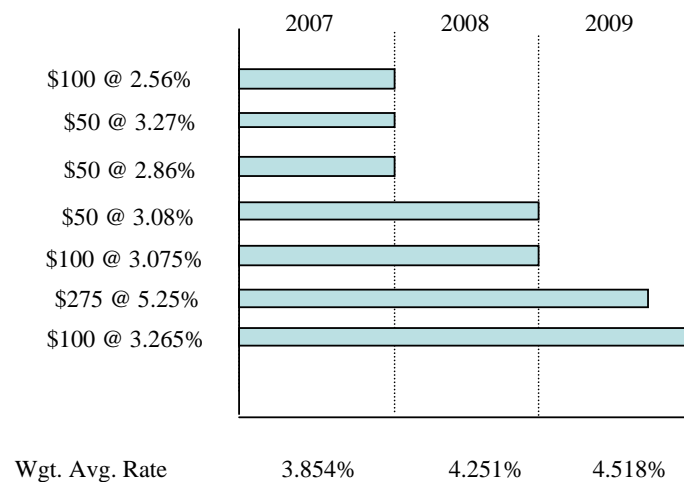
⁽³⁾ The interest rates on the Term Loan and Revolver are based on a spread above LIBOR and includes the cost or benefit of our outstanding swaps.

⁽⁴⁾ The interest rates are based primarily on a spread above LIBOR, as applicable.

⁽⁵⁾ At liquidation preference amount.

⁽⁶⁾ At period-end market value.

Primary Interest Rate Swaps Outstanding as of December 31, 2006



Variable Rate Debt swapped to Fixed Rate (%)	37.4%
Total Fixed Rate Debt / Total Debt (%) ⁽¹⁾	49.2%
Fixed Rate Capital / Total Capital (%) ⁽¹⁾	70.5%
Weighted Average Term of Fixed Rate Debt (years) ⁽¹⁾	6.23

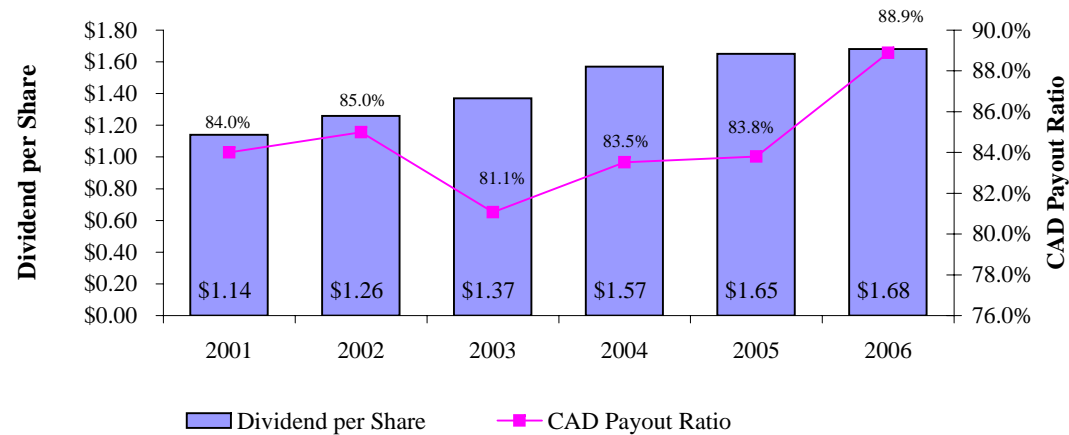
Notes:

All but the \$275 million swap are based on the BMA rate, which was 3.91% as of period-end. The \$275 million swap is based on LIBOR, which was 5.33% as of period-end.

⁽¹⁾ Includes impact of interest rate swaps.

Dividend Yield

	Annual Payout	Period-End Closing Share Price	Nominal Dividend Yield	% Tax-Exempt Income (Actual)	Tax-Adjusted Yield ⁽¹⁾	% Subject to AMT
2001 Dividend	\$1.14	\$16.25	7.0%	96.3%	10.7%	79.2%
2002 Dividend	\$1.26	\$17.37	7.3%	96.0%	11.0%	85.5%
2003 Dividend	\$1.37	\$21.13	6.5%	92.1%	9.7%	88.2%
2004 Dividend	\$1.57	\$24.44	6.4%	90.6%	9.6%	93.0%
2005 Dividend	\$1.65	\$21.18	7.8%	88.4%	11.5%	93.0%
2006 Dividend	\$1.68	\$21.47	7.8%	74.2% ⁽²⁾	11.0%	94.0%

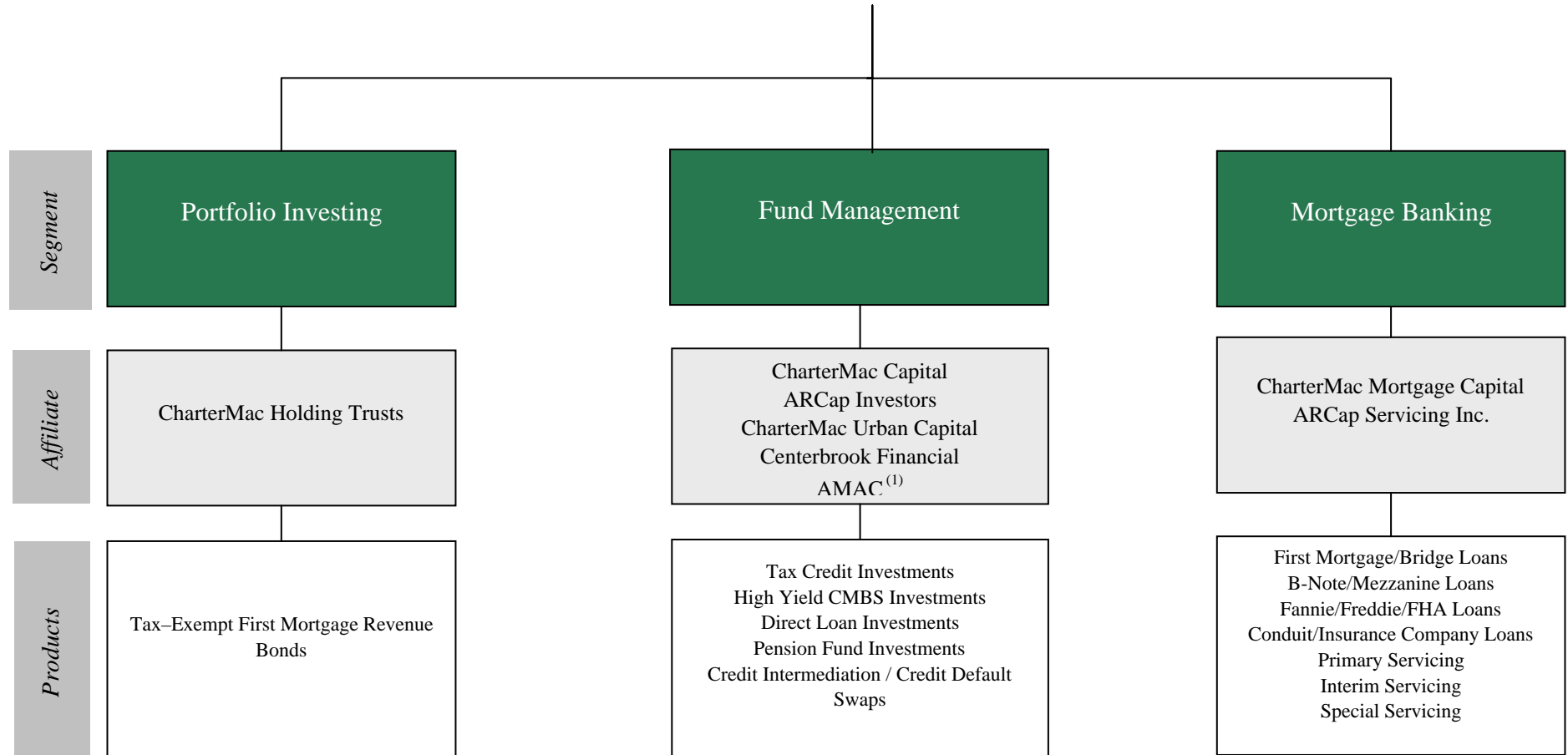


Notes:

⁽¹⁾ Based on federal individual tax rate of 35%.

⁽²⁾ In 2006, taxable income is comprised of approximately 14.0% ordinary income, 5.3% short-term capital gains and 6.7% of long-term capital gains

Business Lines and Financing Products



Note:

⁽¹⁾ Publicly traded REIT advised by CharterMac - not a subsidiary

Portfolio Investing Revenues⁽¹⁾
(In thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Mortgage revenue bond interest income	\$ 47,026	\$ 37,211	\$ 170,273	\$ 150,222
Other interest income	7,973	3,399	19,894	10,602
Prepayment penalties ⁽²⁾	1,255	735	1,662	1,176
Rental income of real estate owned ⁽²⁾	1,914	1,689	5,918	3,860
Other revenues ⁽²⁾	3,482	1,016	5,885	3,495
Total	\$ 61,650	\$ 44,050	\$ 203,632	\$ 169,355

Notes:

⁽¹⁾ Prior to intersegment eliminations.

⁽²⁾ Amount included in other revenues on the statement of income.

For more information, refer to Management's Discussion and Analysis in the Company's Form 10-K.

Portfolio Investing
Mortgage Revenue Bond Portfolio Summary
December 31, 2006

Investments/Asset Type	Units	Outstanding Balance	Fair Value ⁽¹⁾	Weighted Average Stated Interest Rate ⁽²⁾
(Dollars in thousands)				
Tax-Exempt First Mortgage Bonds				
Stabilized	26,449	\$ 1,102,673	\$ 1,180,376	7.0%
Lease-Up	15,659	815,165	817,675	6.7%
Construction	4,811	279,207	277,503	6.0%
Rehabilitation	9,129	491,596	481,793	5.9%
Subtotal	<u>56,048</u>	<u>2,688,641</u>	<u>2,757,347</u>	<u>6.6%</u>
Taxable Bonds	*	37,973	37,719	8.4%
Total	<u>56,048</u>	<u>2,726,614</u>	<u>2,795,066</u>	<u>6.6%</u>
Less Eliminations: Real Estate Owned		(48,000)	(47,755)	
Total Mortgage Bonds As Adjusted		<u>2,678,614</u>	<u>2,747,311</u>	
Less Eliminations: Consolidated Partnerships ⁽³⁾		(356,869)	(349,573)	
Total Mortgage Bonds As Reported		<u>\$ 2,321,745</u>	<u>\$ 2,397,738</u>	
Weighted Average Maturity (years)	<u>34</u>			
Weighted Average Prepayment Lockout (years)	<u>13</u>			

Notes:

* Not included to avoid duplication with associated Tax-Exempt First Mortgage Bonds.

⁽¹⁾ The Mortgage Revenue Bonds are deemed to be available-for-sale debt securities and, accordingly, are carried at their estimated fair values.

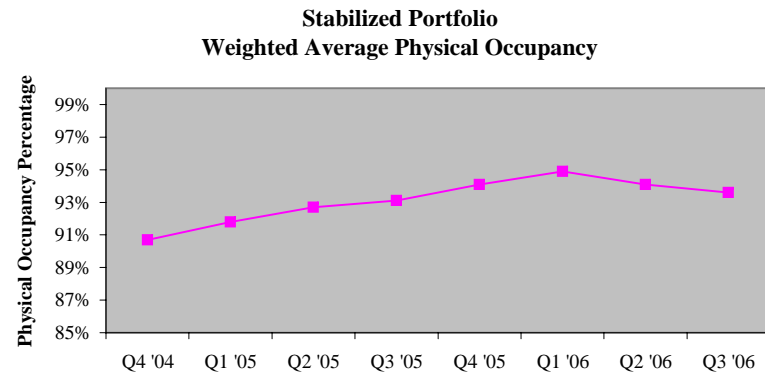
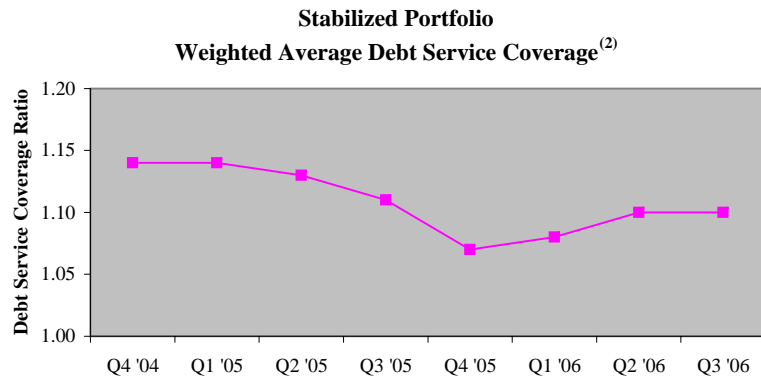
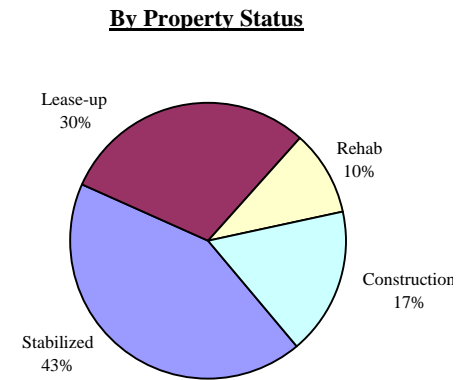
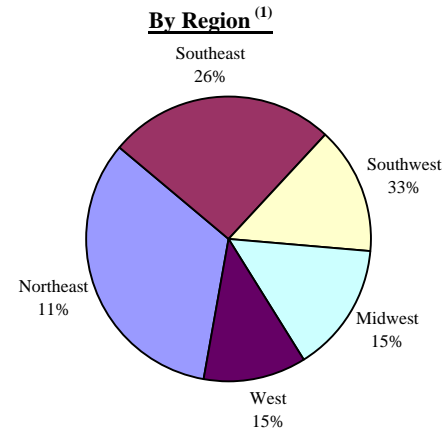
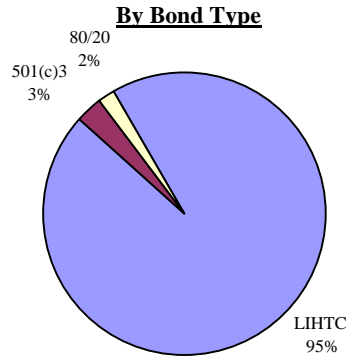
⁽²⁾ The stated interest rate represents the weighted average current coupon rate.

⁽³⁾ These bonds are carried as debt by Consolidated Partnerships and are eliminated in consolidation.

For further information regarding the bond portfolio, please refer to the Company's Form 10-K.

Portfolio Investing Mortgage Revenue Bond Portfolio Statistics December 31, 2006

Total Portfolio (based on fair value)



Notes:

⁽¹⁾ CharterMac's mortgage revenue bond portfolio consists of bonds secured by properties in 30 states and the District of Columbia.

⁽²⁾ Based on Bond Par Value. Debt Service Coverage is based on the twelve-month trailing operations for stabilized properties - blend of audited and unaudited information.

Portfolio Investing Mortgage Revenue Bond Acquisition Activity

(Dollars in thousands)	Units		Face Amount of Bond		Weighted Average Current Stated Interest Rate		Weighted Average Permanent Interest Rate	
	2006	2005	2006	2005	2006	2005	2006	2005
Acquisitions:								
Q4 Tax-Exempt Bonds - Fixed rate	1,927	2,781	\$ 99,368	\$ 134,657	6.03%	5.62%	6.05%	5.62%
Q4 Tax-Exempt Bonds - Effective variable rate ⁽¹⁾	216	765	9,790	52,376	BMA + 2.00%	BMA + 2.01%	BMA + 2.00%	BMA + 2.01%
Q4 Taxable Bonds	*	*	300	1,655	6.50%	6.75%	6.50%	6.75%
Q4 Sub-Total	2,143	3,546	\$ 109,458	\$ 188,688	6.02%	5.71%	6.04%	5.71%
Q4 Refinancings of bonds in the portfolio	-	-	\$ -	\$ -	-	-	-	-
Q4 Total	2,143	3,546	\$ 109,458	\$ 188,688	6.02%	5.71%	6.04%	5.71%
Forward Commitments:								
Q4 Fixed rate	-	-	\$ -	\$ -	-	-	-	-
Q4 Effective variable rate	-	-	-	-	-	-	-	-
Total	-	-	\$ -	\$ -	-	-	-	-
YTD Activity:								
Fixed rate	3,693	5,832	\$ 243,269	\$ 285,360	5.90%	5.29%	5.80%	6.03%
Effective variable rate ^{(1),(2)}	1,316	1,668	74,188	100,736	BMA + 1.71%	BMA + 2.01%	BMA + 1.71%	BMA + 2.01%
Taxable bonds	*	*	4,830	2,355	7.69%	7.12%	7.69%	7.12%
Sub-Total ⁽²⁾	5,009	7,500	\$ 322,287	\$ 388,451	5.86%	5.58%	5.78%	6.00%
Refinancings of bonds in the portfolio ⁽³⁾	1,052	-	\$ 56,740	\$ -	5.76%	-	5.76%	-
Total	6,061	7,500	\$ 379,027	\$ 388,451	5.85%	5.58%	5.78%	6.00%
Forward Commitment Conversions:								
Q4 Fixed rate	-	-	-	-	-	-	-	-
Q3 Fixed rate	-	-	-	-	-	-	-	-
Q2 Fixed rate	1,436	206	\$ 70,270	\$ 12,445	6.72%	6.50%	6.72%	6.50%
Q1 Fixed rate	310	-	26,096	-	6.66%	-	6.66%	-
Q4 Effective Variable rate	-	-	-	-	-	-	-	-
Q3 Effective variable rate	-	-	-	-	-	-	-	-
Q2 Effective variable rate	-	-	-	-	-	-	-	-
Q1 Effective variable rate	-	-	-	-	-	-	-	-
Total	1,746	206	\$ 96,366	\$ 12,445	6.70%	6.50%	6.70%	6.50%

Notes:

⁽¹⁾ Represents mortgage revenue bonds for which we entered into variable-rate interest rate swaps indexed to the BMA rate.

⁽²⁾ Does not include three bonds which were refinanced but continue to be held as Real Estate Owned on the balance sheet

⁽³⁾ Represents five bonds for four deals. Three deals have one bond where the interest rate is effective variable rate. The fourth deal consists of one fixed-rate tax exempt bond and one taxable bond.

Portfolio Investing
Mortgage Revenue Bond Disposition/Repayment Activity

(Dollars in thousands)	Units		Weighted Average Minimum Stated Interest Rate		Fair Market Value		Net Book Value		Net Proceeds		Net Gain (Loss)	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Repayments:												
Q4	595	629	6.93%	7.82%	\$ 25,334	\$ 40,004	\$ 24,205	\$ 39,208	\$ 24,253	\$ 38,781	\$ 48	\$ (389)
Q3 ⁽¹⁾	534	1,278	7.34%	7.34%	\$ 26,605	\$ 46,699	\$ 27,926	\$ 45,091	\$ 27,510	\$ 46,118	\$ (416)	\$ 1,027
Q2	160	608	7.25%	5.80%	\$ 5,603	\$ 18,017	\$ 5,054	\$ 18,009	\$ 5,075	\$ 18,921	\$ 21	\$ 912
Q1	806	*	7.19%	9.25%	\$ 26,933	\$ 458	\$ 26,017	\$ 467	\$ 26,908	\$ 459	\$ 891	\$ (9)
Total YTD through December 31,	2,095	2,515	7.16%	7.27%	\$ 84,475	\$ 105,178	\$ 83,202	\$ 102,775	\$ 83,746	\$ 104,279	\$ 544	\$ 1,541

Notes:

⁽¹⁾ Does not include three bonds which were refinanced, as they are still categorized as Real Estate Owned on the balance sheet.

* Not included to avoid duplication with Tax-Exempt First Mortgage Revenue Bonds that remain outstanding.

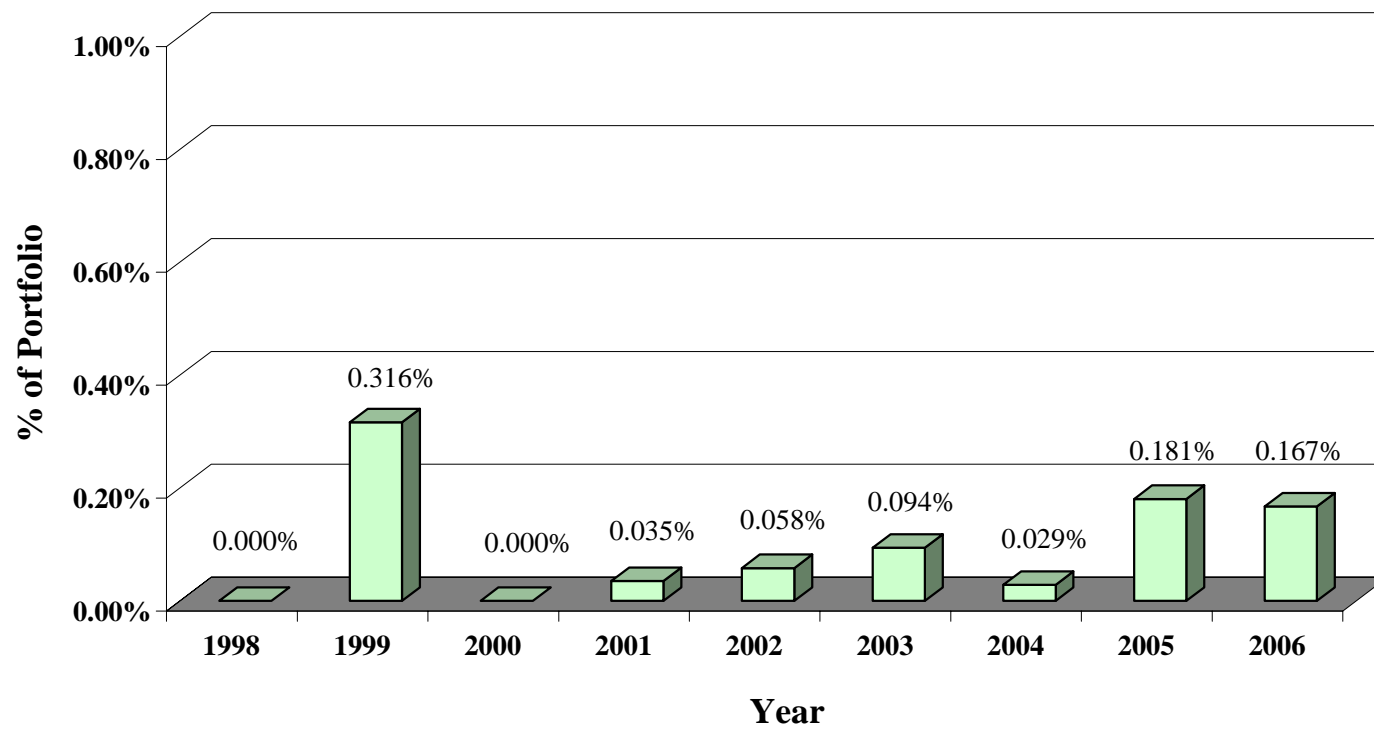
Portfolio Investing
Mortgage Revenue Bond Portfolio Rollforward
(In thousands)

	<u>2006</u>	<u>2005</u>
Balance at beginning of period	\$ 2,294,787	\$ 2,100,720
Acquisitions and additional financings	419,940	443,517
Repayment proceeds	(83,746)	(104,279)
Principal payments	(31,854)	(22,466)
Realized gain	544	1,541
Advance returned by Trustee	-	(6,866)
Impairment losses	(4,676)	(4,555)
Net change in fair value	(37,178)	86,323
Accretion/amortization of yield adjustments	(3,690)	(5,384)
Reclassification to other assets	(629)	(34,238)
Subtotal	<u>2,553,498</u>	<u>2,454,313</u>
Less: change in eliminations ⁽¹⁾	<u>(155,760)</u>	<u>(159,526)</u>
Balance at December 31	<u><u>\$ 2,397,738</u></u>	<u><u>\$ 2,294,787</u></u>

Note:

⁽¹⁾ Certain bonds are either recorded as liabilities on the balance sheets of certain consolidated partnerships or are recorded as liabilities of real estate owned and are therefore eliminated in consolidation.

Portfolio Investing
Mortgage Revenue Bond Impairment Losses ⁽¹⁾



Note:

⁽¹⁾ Calculated as principal write-offs divided by period-end fair value prior to eliminations.

Fund Management
Gross Equity Raised ⁽¹⁾
(In thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
Tax Credit Equity Fund Sponsorship:				
Corporate	\$ 178,839	\$ 300,000	\$ 656,783	\$ 768,913
Proprietary	64,767	34,858	148,060	91,658
Credit Intermediated	135,540	83,623	368,675	269,828
Other	3,417	875	10,803	875
Total	\$ 382,563	\$ 419,356	\$ 1,184,321	\$ 1,131,274

Fund Management Capital Deployment

(In thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2006	2005	2006	2005
Equity investments in LIHTC properties	\$ 354,346	\$ 322,472	\$ 1,113,289	\$ 1,074,457
ARCap Real Estate Special Situations Mortgage Fund, LLC (ARESS) ⁽¹⁾	19,693	-	38,443	-
CharterMac Urban Capital ⁽¹⁾	62,783	-	63,617	-
High-Yield CMBS Certificates ⁽¹⁾	94,567	-	94,567	-
Total	\$ 531,389	\$ 322,472	\$ 1,309,916	\$ 1,074,457

Note:

⁽¹⁾ Reflects activity subsequent to CharterMac ownership in these entities.

Fund Management
Fund Sponsorship Revenue and Equity Income ⁽¹⁾
(In thousands)

	GAAP Basis				CAD Basis			
	Three Months Ended		Year Ended		Three Months Ended		Year Ended	
	December 31,		December 31,		December 31,		December 31,	
	2006	2005	2006	2005	2006	2005	2006	2005
Fees based on equity raised and invested	\$ 17,487	\$ 20,227	\$ 61,476	\$ 61,944	\$ 15,926	\$ 16,888	\$ 73,180	\$ 68,785
Fees based on management of other entities:								
Partnership and asset management fees	3,718	9,203	29,533	28,888	6,138	9,562	34,109	32,716
Investment origination fees and other	147	98	478	652	204	158	478	652
Subtotal	<u>3,865</u>	<u>9,301</u>	<u>30,011</u>	<u>29,540</u>	<u>6,342</u>	<u>9,720</u>	<u>34,587</u>	<u>33,368</u>
Total fund sponsorship fees	<u>21,352</u>	<u>29,528</u>	<u>91,487</u>	<u>91,484</u>	<u>22,268</u>	<u>26,608</u>	<u>107,767</u>	<u>102,153</u>
Credit Intermediation fees	3,656	2,599	11,475	9,845	13,913	11,087	21,732	18,333
Expense reimbursement	2,774	2,458	12,816	9,409	2,774	2,458	12,816	9,409
Construction service fees	1,376	1,566	4,801	4,583	1,348	2,179	3,544	4,799
Other interest income	6,081	39	7,013	236	5,930	39	7,013	236
Other revenues	996	554	3,773	2,195	4,669	554	6,924	2,195
Subtotal	<u>14,883</u>	<u>7,216</u>	<u>39,878</u>	<u>26,268</u>	<u>28,634</u>	<u>16,317</u>	<u>52,029</u>	<u>34,972</u>
Total Revenues	<u>\$ 36,235</u>	<u>\$ 36,744</u>	<u>\$ 131,365</u>	<u>\$ 117,752</u>	<u>\$ 50,902</u>	<u>\$ 42,925</u>	<u>\$ 159,796</u>	<u>\$ 137,125</u>
Fees from AMAC included in the above	<u>\$ 1,134</u>	<u>\$ 1,426</u>	<u>\$ 6,262</u>	<u>\$ 4,926</u>	<u>\$ (1,498)</u>	<u>\$ 179</u>	<u>\$ 3,630</u>	<u>\$ 3,679</u>
Equity income from Direct Loan and CMBS Funds ⁽²⁾	<u>\$ 5,641</u>	<u>\$ -</u>	<u>\$ 15,284</u>	<u>\$ -</u>	<u>\$ 4,391</u>	<u>\$ -</u>	<u>\$ 6,019</u>	<u>\$ -</u>

Notes:

⁽¹⁾ Prior to intersegment eliminations and adjusted to exclude Consolidated Partnerships.

⁽²⁾ We act as a general partner of ARESS and the CMBS funds we sponsor and own varied minority interests in each. Equity income primarily represents our proportionate share of profits as well as other allocations for general partner services.

For more information, refer to Management's Discussion and Analysis in the Company's Form 10-K.



Mortgage Banking Revenues⁽¹⁾
(In thousands)

	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2006	2005	2006	2005
Mortgage origination fees	\$ 1,905	\$ 2,141	\$ 9,136	\$ 7,454
Primary Servicing fees				
Agency Loans	4,194	5,038	19,309	18,928
Pre-securitization / Private Label ⁽²⁾	824	-	1,429	-
Assumption fees	79	40	980	887
	<u>5,097</u>	<u>5,078</u>	<u>21,718</u>	<u>19,815</u>
Special Servicing fees				
Base fees ⁽²⁾	164	-	265	-
Liquidation fees ⁽²⁾	807	-	919	-
Assumption and modification fees ⁽²⁾	1,456	-	2,403	-
Other fees ⁽²⁾	77	-	63	-
	<u>2,504</u>	<u>-</u>	<u>3,650</u>	<u>-</u>
Fee Income subtotal	<u>9,506</u>	<u>7,219</u>	<u>34,504</u>	<u>27,269</u>
Interest income on escrows ⁽³⁾	7,255	3,639	20,893	10,150
Prepayment penalties ⁽⁴⁾	910	1,277	5,194	5,150
Other ⁽⁴⁾	1,318	581	2,206	1,003
Total	<u>\$ 18,989</u>	<u>\$ 12,716</u>	<u>\$ 62,797</u>	<u>\$ 43,572</u>

Notes:

⁽¹⁾ Prior to intersegment eliminations.

⁽²⁾ Represents fees earned by ARCap operations from the date of acquisition (8/15/06).

⁽³⁾ Amount included in other interest income on the statement of income. Includes income from ARCap operations from date of acquisition.

⁽⁴⁾ Amount included in other revenues on the statement of income.

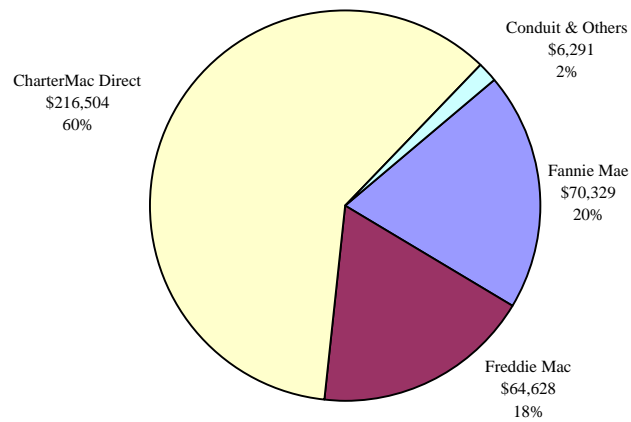
For more information, refer to Management's Discussion and Analysis in the Company's Form 10-K.

Mortgage Banking Originations (Continued)

Originations by Transaction type

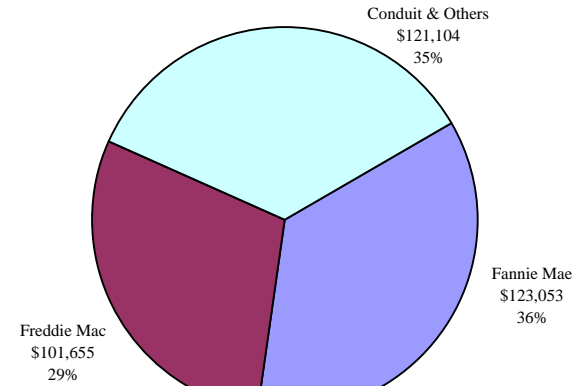
(Dollars in thousands)

Q4 2006



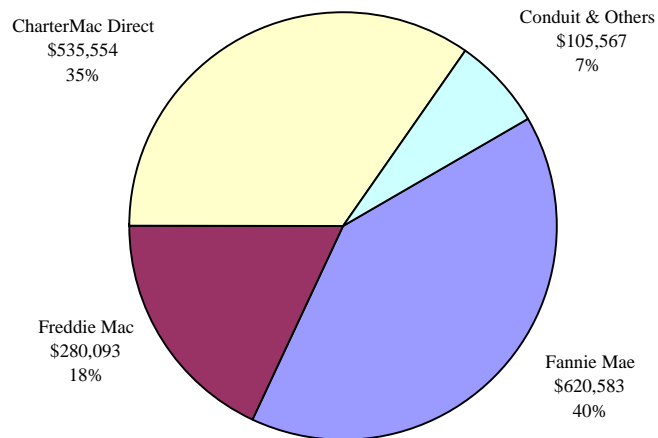
Total: \$357,752

Q4 2005



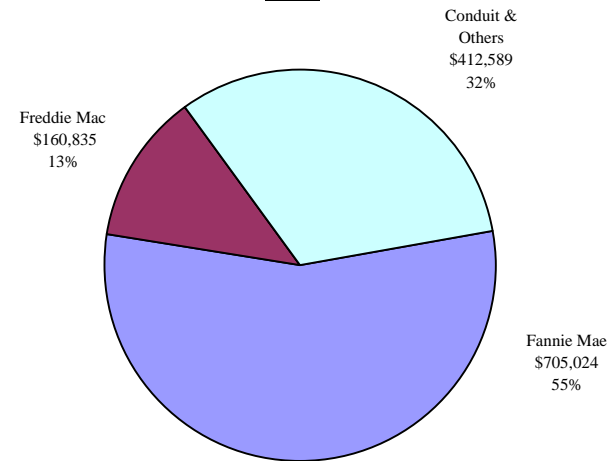
Total: \$345,812

2006



Total: \$1,541,797

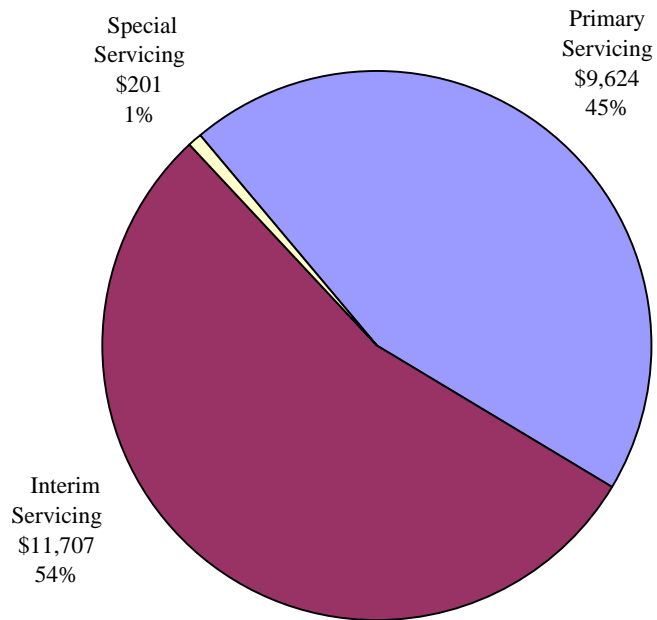
2005



Total: \$1,278,448

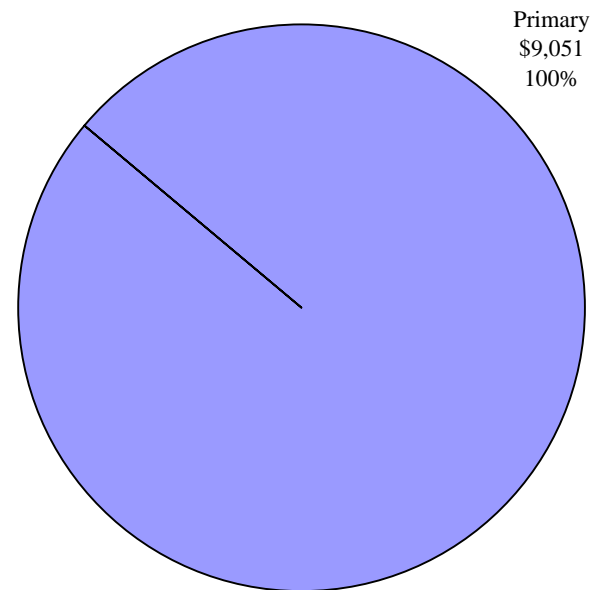
Mortgage Banking Loan Portfolio

December 31, 2006
(dollars in millions)



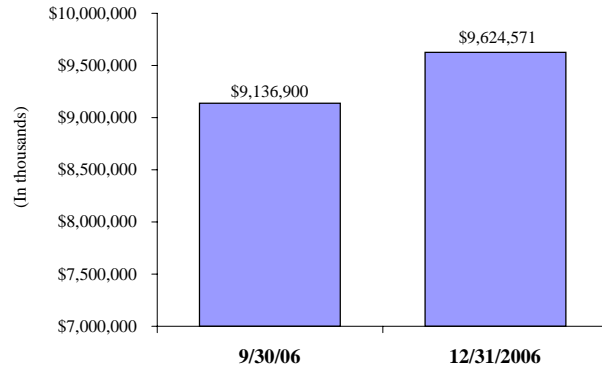
Total: \$21,532

December 31, 2005
(dollars in millions)

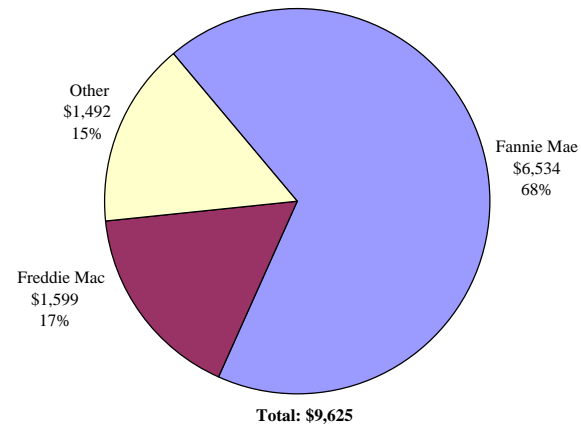


Mortgage Banking
Primary Servicing Loan Portfolio

Primary Servicing Loan Portfolio



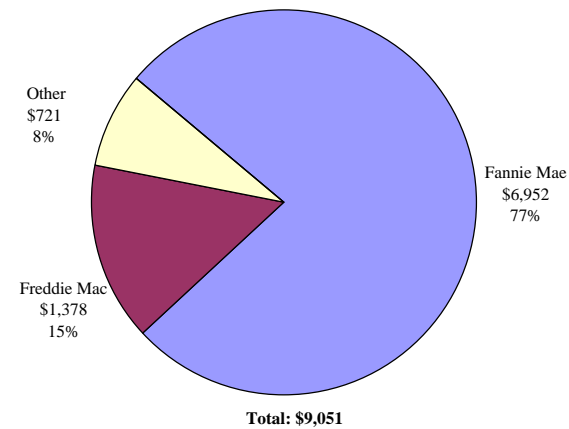
December 31, 2006
(dollars in millions)



Primary Servicing Portfolio changes from September 30, 2006
(in thousands)

Beginning Primary Servicing Loan Portfolio	\$ 9,136,900
Transferred loans from AMAC (originated prior to 9/30/06)	66,895
Add: New Originations (excluding assumptions)	545,580
Add: Loan Purchases	13,000
Add: Servicing retained refinancings	1,000
Add: Forward Conversions/Previously Recognized Obligations	13,984
Less: Servicing Released Transactions	(4,500)
Less: Pay-offs	(256,765)
Less: Amortization	(27,316)
Add: Loans closed in current period but not yet settled	161,759
Less: Loans closed in prior period but settled in current period	(24,020)
Less: Future funding commitments	(3,351)
Other	1,405
Net change	<u>487,671</u>
Ending Primary Servicing Loan Portfolio - at December 31, 2006	<u>\$ 9,624,571</u>

December 31, 2005
(dollars in millions)



**Mortgage Banking
Primary Servicing Loan Portfolio
December 31, 2006**

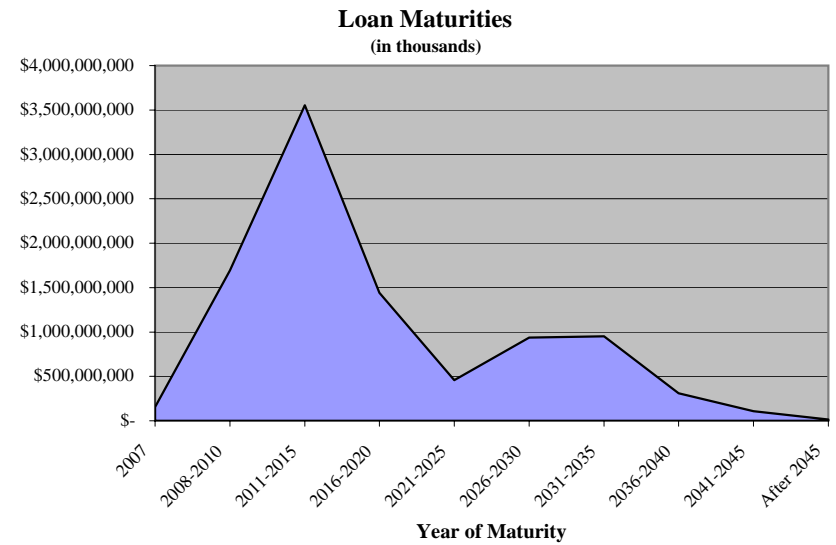
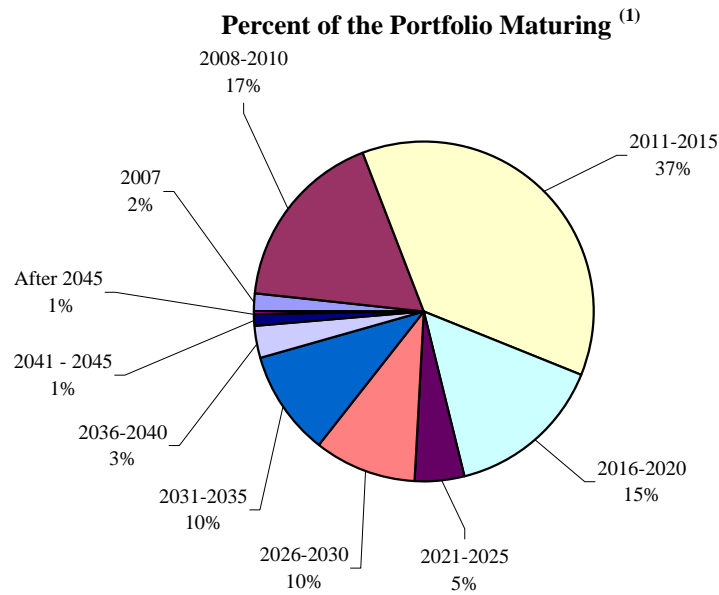
Investments/Asset Type	Unpaid Principal Balance
(Dollars in thousands)	
First Mortgages	
Fannie Mae	\$ 6,220,243
Freddie Mac	1,509,412
Ginnie Mae	227,961
Other ⁽¹⁾	401,941
Subtotal	<u>8,359,557</u>
Subordinate Mortgages	
Fannie Mae	313,453
Freddie Mac	89,295
Ginnie Mae	525
Other ⁽¹⁾	4,786
Subtotal	<u>408,059</u>
ARCap Servicing	
AMAC CDO	383,214
ARCap/AMAC	279,405
Third Party Balance Sheet Servicing	194,336
	<u>856,955</u>
Total Servicing Portfolio⁽²⁾	<u>\$ 9,624,571</u>
Weighted Average Servicing Fee Rate	<u>19.8 bps</u>

Notes:

⁽¹⁾ Comprised of conduit, sub-serviced and warehouse loans.

⁽²⁾ Excluding forward commitments.

Mortgage Banking Primary Servicing Loan Portfolio (Based on Unpaid Principal Balance)



Note:

⁽¹⁾ The mortgage banking portfolio has loans in 44 states and the District of Columbia.

Equity Research Coverage

<u>Firm</u>	<u>Analyst</u>	<u>Telephone #</u>
Hilliard Lyons	Tony Howard	(502) 588-1142
Stifel, Nicolaus & Company	Rod Petrik	(410) 454-4131

Glossary

BMA - The Bond Market Association Municipal Swap Index; the principal benchmark for floating-rate payments for tax-exempt issuers.

CAD Payout Ratio - The ratio of dividends paid per share to CAD per share.

CharterMac Direct - Our proprietary mortgage banking product that offers first mortgage, bridge, mezzanine and subordinated loans for multifamily, office, retail and industrial properties. CharterMac Direct is funded through American Mortgage Acceptance Company, a mortgage REIT that a subsidiary of CharterMac advises, and also through ARCap Real Estate Special Situations Mortgage Fund, LLC ("ARESS"), in which we hold an equity interest.

Consolidated Partnerships - Primarily investment partnerships whose limited partners do not have the right to remove the Company from the role of general partner or managing member. The Company has concluded that, by acting as the general partner for these entities, it is the primary beneficiary as defined by FIN 46R because it absorbs the majority of the expected income and loss variability, which is disproportionate to any actual ownership interest. Also includes operating partnerships which the Company controls due to its role as general partner. The balance sheet and statements of income for certain of these partnerships consolidated in our financial statements are as of September 30, 2006, the latest date financial information is available.

CRA Convertible Preferred Shares ("CRA Shares") - Convertible Community Reinvestment Act Preferred Shares issued by CharterMac. These CRA Shares have a preference with regard to an allocation of CRA credits available on CharterMac's revenue bonds. CRA Shares are economically the same as common shares, and dividends for both are the same with no preference in liquidation or dividend payment. For presentation purposes, both basic and diluted per share data include both common and CRA Shares.

4.4% CRA Preferred Shares - Shares with the same CRA benefits as CRA Shares, but with preferred distribution and liquidation features. The shares carry a stated dividend rate and will be convertible into common shares at a ratio of approximately 1.80:1 beginning July 2008.

Dividend Yield - Current annualized dividend per share divided by the current market price. The Tax-Adjusted Dividend Yield takes into account the effect of the tax-exempt nature of CharterMac's dividend and computes a taxable-equivalent yield based on the highest current federal individual tax rate.

Fair Value - Mortgage revenue bonds are deemed to be available-for-sale debt securities and, accordingly, are carried at their estimated Fair Market Values. This value is calculated using a discounted cash flow with a discount rate generated from the weighted average fixed rate on new bond originations during that period or a rate comparable to the risk profile of a stabilized bond.

Financing Arrangements - CharterMac maintains securitization programs to finance a portion of its investments:

P-FLOATS/RITES - Mortgage bonds or trust certificates representing senior interests in such bonds are deposited into a special purpose trust with credit intermediation. From this trust two types of securities are issued: (1) Puttable Floating Option Tax-Exempt Receipts ("PFLOATS"), short-term senior securities bearing interest at a floating rate determined weekly by...(cont'd)

Financing Arrangements (cont'd):

PFLOATs (cont'd) - Merrill Lynch as the lowest rate possible that will clear the market at par, and (2) Residual Interest Tax-Exempt Securities ("RITES"), subordinate securities which receive any remaining interest after payment of interest on the P-FLOATs and ongoing transaction fees

Floater/Residuals - Mortgage bonds or trust certificates representing senior interests in such bonds are deposited into a special purpose trust with credit intermediation. From this trust, two types of securities are issued: (1) Floater Certificates ("Floater"), short-term senior securities bearing interest at a floating rate determined weekly by Goldman Sachs as the lowest rate possible that will clear the market at par, and (2) Residual Certificates ("Residuals"), securities which receive any remaining interest after payment of interest on the Floater and ongoing transaction fees.

Interest Rate Swap (or Hedge) - A transaction in which two parties agree to exchange future net cash flows based on predetermined interest rate indices calculated on an agreed upon notional amount. The swap is not a debt instrument, and there is no exchange of principal. Swaps serve to exchange liabilities from floating to fixed rate, or vice versa, and can protect against adverse interest rate movements.

LIBOR - The London InterBank Offered Rate ("LIBOR") is the rate on dollar denominated deposits, also known as Eurodollars, traded between banks in London. The index is quoted for one-month, three-month, six-month and one-year periods. The LIBOR rate is an average of rate quotes from five major banks

LIHTC - Multifamily properties that generate Low-Income Housing Tax Credits.

Net Book Value - Purchase price of a bond, inclusive of acquisition fees and expenses, net of amortization and write downs.

Subsidiary Equity - In connection with acquisitions, the Company issued three types of subsidiary equity that are convertible into common shares of CharterMac:

SCUs (Special Common Units) - Issued at the time of the CharterMac Capital (formerly Related Capital Company) acquisition in the fourth quarter of 2003. Distributions equal the common distribution rate divided by 72% to adjust for the taxable nature of the distribution.

SMUs (Special Membership Units) - Issued in 2005 in connection with the Capri acquisition and a subsequent acquisition by Capri. Distributions are currently 103% of the common distribution rate.

SCIs (Special Common Interests) - Issued in 2006 in connection with the ARCap acquisition. Distributions are currently 102% of the common distribution rate.

Income allocated to the SCUs, SMUs and SCIs is based on the assumed conversion of the units into common shares. The income allocation will not necessarily equal the actual distributions paid.

Total Market Capitalization - Total Market Capitalization is the sum of CharterMac's equity market capitalization, preferred shares, and outstanding debt.