



## Morgan Stanley

For Immediate Release

### **Morgan Stanley Launches \$110 Million Commitment for Affordable Housing with National Equity Fund**

*Investment expected to have total economic impact of more than \$500 million, create 6,500 jobs and provide 3,300 homes for low-income families, seniors and special needs residents*

NEW YORK/CHICAGO, January 19, 2010 – Morgan Stanley (NYSE: MS) announced today that it has committed \$110 million to promote community development by financing construction of affordable rental housing that will create jobs and help revitalize low-income neighborhoods across the country.

In partnership with National Equity Fund (NEF)—a national nonprofit and a leading Low Income Housing Tax Credit (LIHTC) syndicator— Morgan Stanley is capitalizing a \$50 million LIHTC investment fund and providing \$60 million to finance several hundred million dollars of additional NEF housing fund investments. Altogether, Morgan Stanley’s \$110 million commitment is expected to underpin 3,300 homes for low-income families, seniors and special needs residents and help create 6,500 jobs in communities hardest hit by the economic downturn.

“Morgan Stanley’s commitment is absolutely critical in this financial environment,” said Joseph Hagan, NEF President and CEO, pointing to the firm’s support of some of the most challenging markets in the nation. “Communities that literally have been starved for LIHTC equity over the last year and seen no new affordable housing activity will be able to move some of their projects forward. That’s huge,” he said.

The Morgan Stanley investment also effectively leverages federal affordable housing stimulus dollars—the Tax Credit Assistance Plan (TCAP) and the Section 1602 LIHTC exchange program—that were created by the American Recovery and Reinvestment Act. “We need to pair private capital with those federal dollars to really maximize their impact,” he explained. “At a time when the LIHTC market has shrunk by nearly half, Morgan Stanley’s investment will help make sure those federal funds have the kind of long-term positive impact Congress intended.”

“Morgan Stanley is committed to partnering with communities to enable them to attract capital for community development goals,” said Audrey Choi, Managing Director and Head of Morgan Stanley’s Environment, Social Finance and Community Reinvestment Group. “We are pleased to work with NEF, one of the leading community development syndicators in the country, on this project helping address the critical lack of funding for affordable housing in underserved

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communities.”

Over the last two decades, the federal Low Income Housing Tax Credit program has been one of the most prolific tools for affordable housing development in the country, in recent years growing to \$9 billion in annual private investment activity. During the recent economic crisis, however, the market has severely contracted, leaving many developers, projects and communities without a reliable source of affordable housing capital.

“Every dollar of new equity that comes into this market is crucial to advancing local affordable housing goals, especially given the number of families facing severe housing issues,” Hagan stressed. “For Morgan Stanley to invest in this work at this time sends a clear message about their commitment to long-term impact.”

**About National Equity Fund:** National Equity Fund, Inc. (NEF) is a leading national syndicator of Low Income Housing, Historic and New Markets Tax Credits. NEF has invested \$7.0 billion to support the construction and preservation of more than 100,000 homes that are affordable to low-income families, the homeless, the disabled, seniors and others with special needs. Based in Chicago, NEF is a nonprofit subsidiary of the Local Initiatives Support Corporation (LISC). For more, visit [www.nefinc.org](http://www.nefinc.org) or [www.lisc.org](http://www.lisc.org).

**About Morgan Stanley:** Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management services. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 1,200 offices in 36 countries. For further information about Morgan Stanley, please visit [www.morganstanley.com](http://www.morganstanley.com).

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