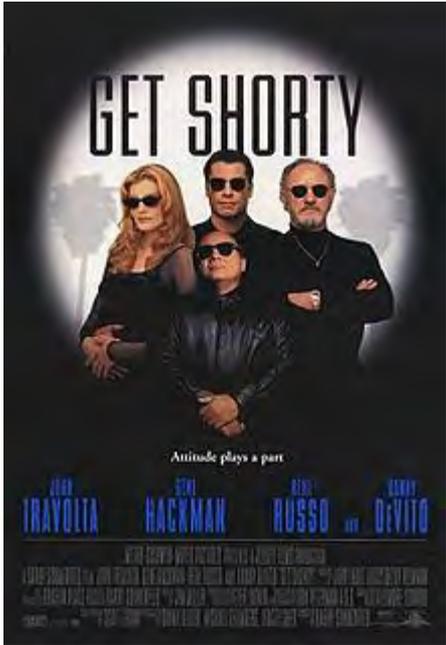




THE 20TH ANNUAL AFFORDABLE HOUSING CONFERENCE

Celebrating 20 Years

Room 206 AB
Tuesday, October 8
2:15-3:30pm
T9: Get Shorty!



How Short Term Bonds with FHA Financing Can Enhance your Bottom Line

Mark Dean
 Managing Director
 Citi
Mark.W.Dean@citi.com
 206-346-2839

Faith Pettis
 Partner
 Pacifica Law Group
Faith.Pettis@pacificallawgroup.com
 206-245-2715

John Taylor
 Senior Vice President
 CBRE Capital Markets | FHA Lending Group
John.Taylor@cbre.com
 206-830-6495



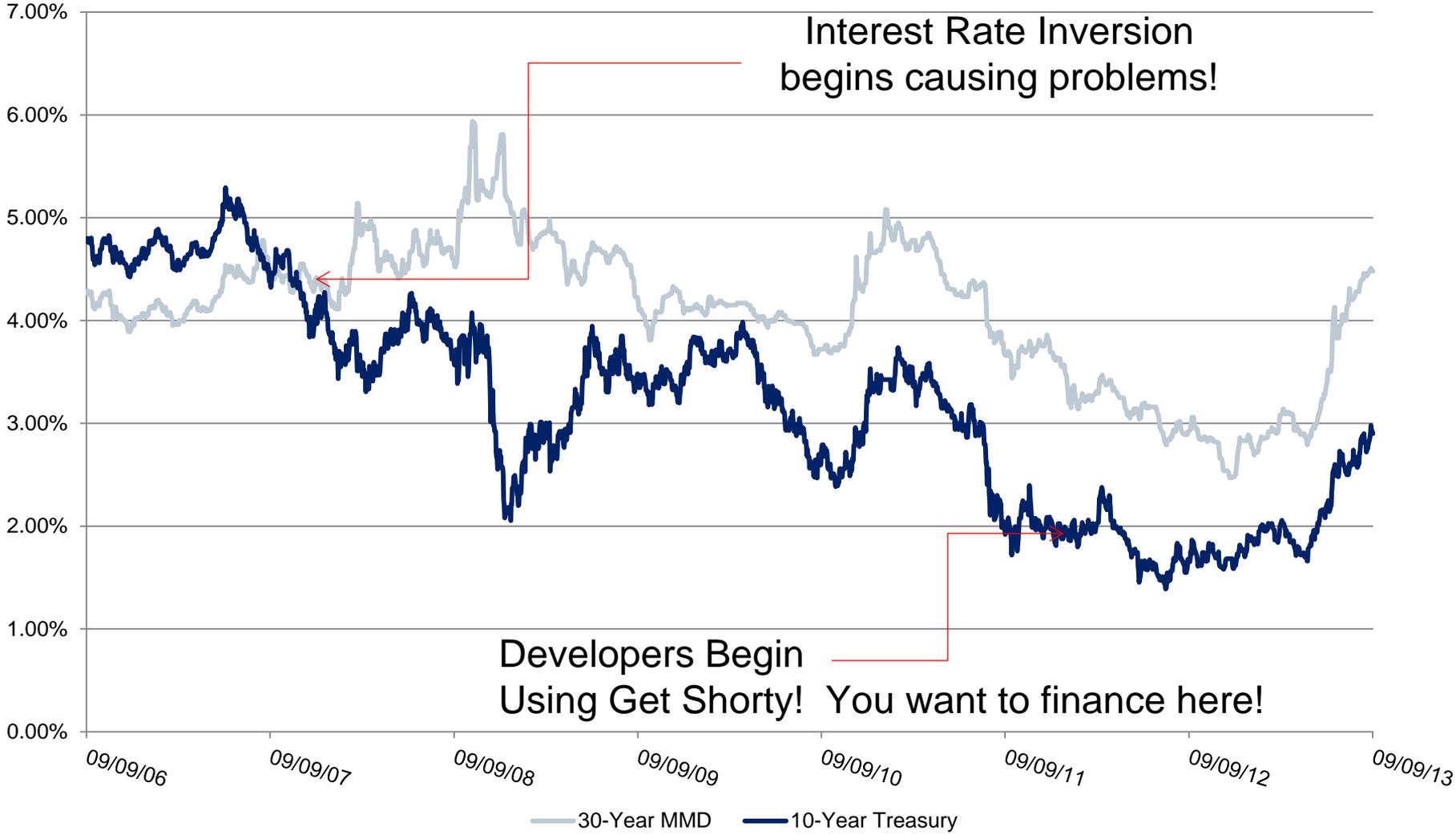
Agenda

How it Works

Legal Considerations

FHA Financing

Take Advantage of the Bond Market “Flip”



Interest Rate Inversion begins causing problems!

Developers Begin Using Get Shorty! You want to finance here!



Everyone is Doing it!

Halekauwila Terrace



Series 2012
\$25,800,000
Bond Rate: 0.70%
Loan Rate: 2.62%
Lender: PNC Bank,
N.A.
Citi Role: Underwriter
December 2012

Ashwood Apartments Project



Opening doors to a better life

Series 2013
\$6,250,000
Bond Rate: 0.50%
Loan Rate: 2.75%
Lender: CBRE HMF,
Inc.
Citi Role: Underwriter
January 2013

Atherton Apartments Project



Opening doors to a better life

Series 2013
\$6,500,000
Bond Rate: 0.50%
Loan Rate: 2.75%
Lender: CBRE HMF,
Inc.
Citi Role: Underwriter
January 2013

Tower on 19th Apartments



Series 2012
\$27,000,000
Bond Rate: 0.60%
Loan Rate: 3.19%
Lender: Prudential
Citi Role: Purchaser
December 2012

Alder Ridge Apartments



Opening doors to a better life

Series 2012
\$8,000,000
Bond Rate: 0.70%
Loan Rate: 2.98%
Lender: Dougherty
Mortgage LLC
Citi Role: Underwriter
December 2012

Overlook Apartments



Series 2013
\$21,500,000
Bond Rate: 0.68%
Loan Rate: 3.80%
Lender: Walker &
Dunlap
Citi Role: Purchaser
April 2013

Villa Santa Fe



Series 2013
\$20,500,000
Bond Rate: 1 Yr. +
0.55%
Loan Rate: 3.45%
Lender: Bellwether
Enterprise
Citi Role: Purchaser
June 2013

Banning Villa Senior Apartments



Series 2013
\$10,100,000
Bond Rate: 1 Yr. +
0.87%
Loan Rate: 3.18%
Lender: Greystone
Citi Role: Purchaser
June 2013

Coralwood Court & Orangewood Court



Series 2013
\$13,000,000
Bond Rate: 0.66%
Loan Rate: 3.67%
Lender: Love
Funding
Citi Role: Purchaser
June 2013

Copper Landing



Opening doors to a better life

Series 2013
\$11,500,000
Bond Rate: 0.60%
Loan Rate: 4.54%
Lender: Lancaster
Pollard
Citi Role: Underwriter
August 2013

Meadowbrook Apartments



Series 2013
\$40,000,000
Bond Rate: 0.50%
Loan Rate: 5.02%
Lender: Citi / Freddie
Mac
Citi Role: Underwriter
October 2013

Park Village Apartments



Series 2013
\$19,000,000
Bond Rate: 0.70%
Loan Rate: 5.29%
Lender: Lancaster
Pollard
Citi Role: Purchaser
August 2013

Why Short Term Bonds? – Compare the Developer Fee!

Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

Sources & Uses (Permanent)	Long Term Bonds	Conventional Loan (with Short Term Bonds)		
	Traditional Agency Credit Enhanced (18 Year Fixed) - Acquisition Rehab	FHA 221(d)(4) - New Construction or Major Rehab	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing - Acquisition Rehab
Sources				
Debt Proceeds	\$11,810,000	\$13,510,900	\$14,183,800	\$13,468,000
LIHTC Equity (0.95 @ 100% of Acq + Rehab)	3,952,000	3,952,000	3,952,000	3,952,000
Total Sources	\$15,762,000	\$17,462,900	\$18,135,800	\$17,420,000
Uses				
Acquisition - Land	1,000,000	1,000,000	1,000,000	1,000,000
Acquisition Price	10,000,000	-	10,000,000	10,000,000
Rehabilitation / Construction	3,000,000	13,000,000	3,000,000	3,000,000
Financing Costs	340,224	671,478	599,312	363,773
Developer Fee	1,421,776	2,791,422	3,536,488	3,056,227
Total Uses	15,762,000	17,462,900	18,135,800	17,420,000

How it works – Sizing Parameters, Interest Rate

Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

	Long Term Bonds	Conventional Loan (with Short Term Bonds)		
	Traditional Agency Credit Enhanced (18 Year Fixed) - Acquisition Rehab	FHA 221(d)(4) - New Construction or Major Rehab	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing - Acquisition Rehab
Estimated Rates				
Base Underwriting Rate (incl. GNMA)	4.850%	5.350%	4.470%	2.640%
Credit Enhancement + 45bp MIP (FHA)	1.580%	0.450%	0.450%	2.380%
Issuer Fee	0.175%			
Trustee Fee	0.030%			
Total Underwriting Rate	6.635%	5.800%	4.920%	5.020%
Compare to Long Term Bonds		-0.835%	-1.715%	-1.615%

How it works – Sizing Parameters, Underwriting Criteria

Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

		Long Term Bonds	Conventional Loan (with Short Term Bonds)		
Loan Sizing Comparison		Traditional Agency Credit Enhanced (18 Year Fixed) -	FHA 221(d)(4) - New Construction or Major	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing -
Assumed NOI	NOI	1,000,000	1,000,000	1,000,000	1,000,000
Min Debt Service Coverage (DSC)		1.15	1.15	1.176	1.15
Amortization (years)		35	40	35	30
Loan To Value (not factored into this analysis)		90%	90%	90%	85%
Estimated Sizing Rate From Above		6.635%	5.800%	4.920%	5.020%
DSC Constrained Loan Size (Rounded)		\$11,812,400	\$13,510,900	\$14,183,800	\$13,468,000
Compare to Long Term Bonds			\$1,698,500	\$2,371,400	\$1,655,600
Bond Issue Requirement		Long Term Financing	'50%' Test w/ cushion	'50%' Test w/ cushion	'50%' Test w/ cushion
Associated Bond Issue Amount		\$11,810,000	\$7,150,000	\$7,150,000	\$7,150,000

How it Works - Interest Calculation for Short Term Bonds

Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

	Long Term Bonds	Conventional Loan (with Short Term Bonds)		
	Traditional Agency Credit Enhanced (18 Year Fixed) - Acquisition Rehab	FHA 221(d)(4) - New Construction or Major Rehab	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing - Acquisition Rehab
Short Term Bond Interest Cost				
Par Amount of Bonds		7,150,000	7,150,000	7,150,000
Assumed Term of Bonds		24.00	18.00	18.00
Assumed Rate on Bonds		0.65%	0.50%	0.50%
Total Interest Deposit on Bonds*	NA	92,950	53,625	53,625

*If PIS Date is early, may prepay and have part of this returned.

How it Works - Cost Comparison

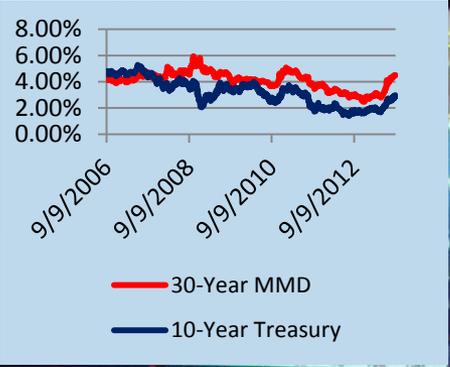
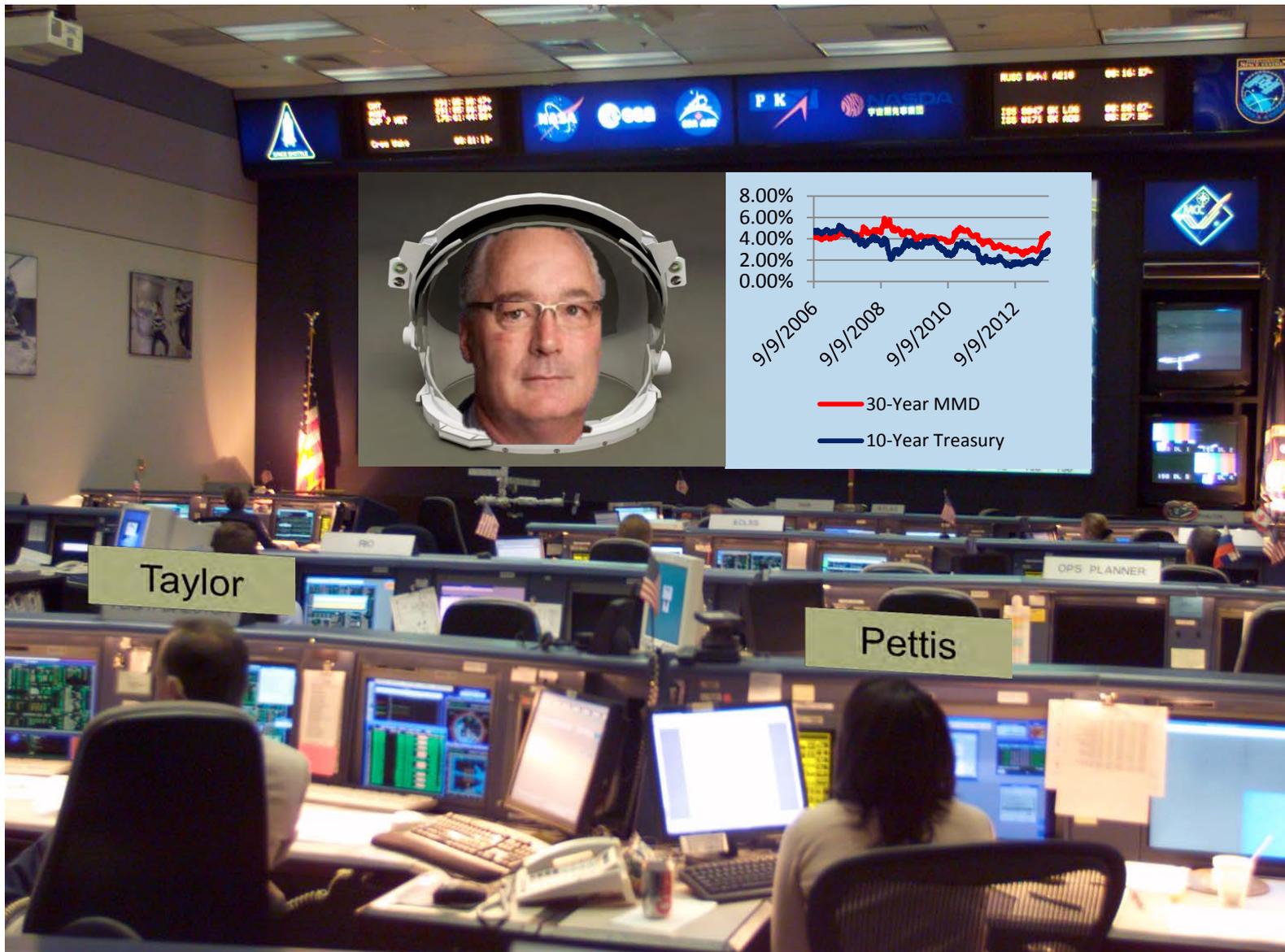
Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

		Long Term Bonds	Conventional Loan (with Short Term Bonds)		
		Traditional Agency Credit Enhanced (18 Year Fixed) - Acquisition Rehab	FHA 221(d)(4) - New Construction or Major Rehab	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing - Acquisition Rehab
Transaction Cost Comparison					
Loan Costs					
3rd Parties		20,000	20,000	20,000	20,000
Lender Origination	1.00%	118,124	135,109	141,838	134,680
FHA Review Fee	0.50%		67,555	70,919	
FHA Application Fee	0.30%		40,533	42,551	
FHA Mort. Ins. Prem. (1 year)	0.45%		60,799	63,827	
FHA Inspection Fee Assessed on Const.	0.50%		65,000	15,000	
FHA Exam Fee	0.30%		40,533	42,551	
GNMA Fee			2,000	2,000	
Lender Legal		45,000	35,000	35,000	30,000
Freddie Mac Application Fee	0.10%				13,468
Lender Costs		183,124	466,528	433,687	198,148
Bond Costs (COI + Bond Interest)					
Issuer Fee (WSHFC)	0.25%	29,525	17,875	17,875	17,875
Private Activity Bond Fee	0.03%	3,271	1,981	1,981	1,981
Bond Counsel (incl. Expenses)		41,538	36,596	36,596	36,596
Public Notice		500	500	500	500
Bond Underwriter	1.0%	118,100	71,500	71,500	71,500
Underwriter's Counsel		25,000	30,000	30,000	30,000
Rating Agency		10,000	5,000	5,000	5,000
Cashflow Verification		-	1,500	1,500	1,500
Electronic Posing of POS		500	500	500	500
Trustee Acceptance Fee		3,000	3,000	3,000	3,000
Short Term Bond Interest Cost		NA	92,950	53,625	53,625
Total Costs of Issuance		157,100	204,950	165,625	165,625
Grand Total Financing Costs		340,224	671,478	599,312	363,773

It's All About the Developer Fee!

Long Term Debt Sizing Comparison - Chili Palms, Hollywood, WA

Sources & Uses (Permanent)	Long Term Bonds	Conventional Loan (with Short Term Bonds)		
	Traditional Agency Credit Enhanced (18 Year Fixed) - Acquisition Rehab	FHA 221(d)(4) - New Construction or Major Rehab	FHA 223(f) - Acquisition Rehab or Refinance	Agency (FNMA / Freddie) Affordable Housing - Acquisition Rehab
Sources				
Debt Proceeds	\$11,810,000	\$13,510,900	\$14,183,800	\$13,468,000
LIHTC Equity (0.95 @ 100% of Acq + Rehab)	3,952,000	3,952,000	3,952,000	3,952,000
Total Sources	\$15,762,000	\$17,462,900	\$18,135,800	\$17,420,000
Uses				
Acquisition - Land	1,000,000	1,000,000	1,000,000	1,000,000
Acquisition Price	10,000,000	-	10,000,000	10,000,000
Rehabilitation / Construction	3,000,000	13,000,000	3,000,000	3,000,000
Financing Costs	340,224	671,478	599,312	363,773
Developer Fee	1,421,776	2,791,422	3,536,488	3,056,227
Total Uses	15,762,000	17,462,900	18,135,800	17,420,000



Taylor

Pettis

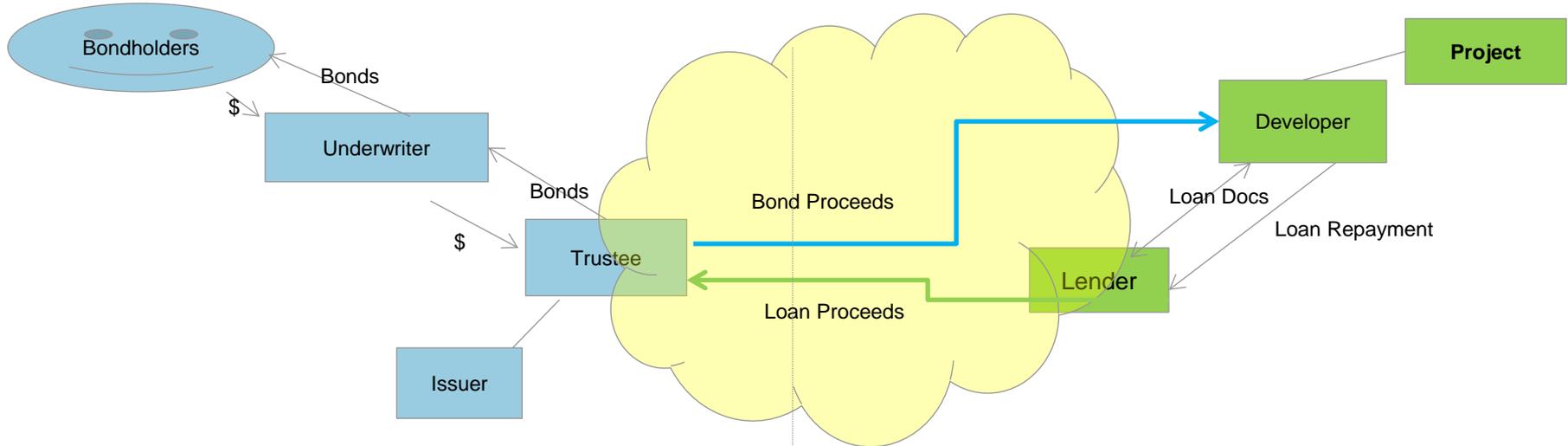
First Hire a Good Team!

It's Really Complicated!

$$\sum_{i=1}^{300} \sum_{t=1}^{360} LS^* \frac{\int_{-\infty}^{\infty} \int_{-\infty}^{\infty} \frac{D(r_t, R_t) D(r_t, R_t)}{(2\pi\sqrt{1-\rho^2})} \exp\left\{-\frac{1}{2} \frac{1}{1-\rho^2} [R_t^2 - 2\rho R_t E_t + E_t^2]\right\} dR_t dE_t \prod_{c=1}^t (1+r_t)^{-c}}{\prod_{c=1}^t \int_{D(r_c, R_c)} \int_{D(r_c, R_c)} \frac{1}{(2\pi\sqrt{1-\rho^2})} \exp\left\{-\frac{1}{2} \frac{1}{1-\rho^2} [R_{t-1}^2 - 2\rho R_{t-1} E_{t-1} + E_{t-1}^2]\right\} dR_{t-1} dE_{t-1}}$$

$$300^* \sum_{t=1}^T t^* \left\{ \frac{1}{r_0} \left(1 - \frac{1}{(1+r_0)^T} \right) \right\}^{-1} \left(\frac{1}{r_0} \left(1 - \frac{1}{(1+r_0)^{T-t}} \right) \right)$$

Just Kidding, it's not complicated!



Bonds

- Short Term Debt
- Tax Exempt Debt
- Public Sale or Private Placement
- Qualifies Project for LIHTC
- Sole Collateral is Cash & Investments
- Requires Governmental Conduit Issuer along with their costs and process(es)
- Limited involvement post closing

Loan

- Long Term Debt
- Taxable Debt
- Approves, Funds Const. Draws
- Does not qualify for LIHTC
- Secured by Real Estate
- Influences Bond Process
- Involved in construction, lease up, stabilization

Comparison

Bonds

- Investment Risks
 - Seek highest rating, liquidity, collateral is bankruptcy remote, Pure Non-Recourse
- Sizing
 - Meet '50%' Test
- Process is Issuer's
 - Approx. 90 days, concurrent with lender
- 12 to 36 month term
 - Low rates
- Prepay negotiable, easy

Loan

- Real Estate Risks
 - Typical RE Underwriting, collateral may include Guaranties of Sponsor
- Sizing
 - NOI, LTV, LTC, Int. Rate
- Process is Lender's
 - Approx. 90 – 300 days, concurrent with issuer
- 18 to 40 year term
 - Higher rates
- Prepay negotiable, expensive

Lessons Learned - Bonds

- Some Issuers love FHA / Some Issuers hate FHA
- Bond Underwriters can help set up investment opportunities that will allow you to earn more on the Collateral Fund.
- For most deals better to lock a rate to maturity
- Early discussion of source of Bankruptcy Remote Funds is best
 - Must be from a loan from a 3rd party (LOC, Sub Loan, Bridge Loan, Agency Loan, Seller Carryback)
- Submit Bond / Tax Credit Application Early, the process has changed!
- Bond Interest contributes to Eligible Basis for Construction Deals!
- Confirm w/ Bond Underwriter / LIHTC Investor requirements to Prepay Bonds, include a cushion for delay – extensions (Bond Refundings) are expensive
- Allow cushion to meet 50% test if costs rise unexpectedly – 55% is common

Lessons Learned - Loans

- Understand and respond to Lender criteria
- Start with a complete package, especially with FHA
- Prevailing Wage Impact varies by Market. Talk to contractor early in process.
- Keep issuer informed of timing
- Confirm what is included in Mortgageable Costs (FHA) and coordinate with Bond Spending Tests (2% COI / 95%-5%)
- Confirm early who will provide a 1 day loan to 'preference proof' gross funding of interest
- Hire a competent title company
- Manage rate lock process

Agenda

How it Works

Legal Considerations

FHA Financing

The Bond Side

Bonds, defined short-ly

Three applicable bodies of law

- State law
- Federal tax law
- Federal securities laws

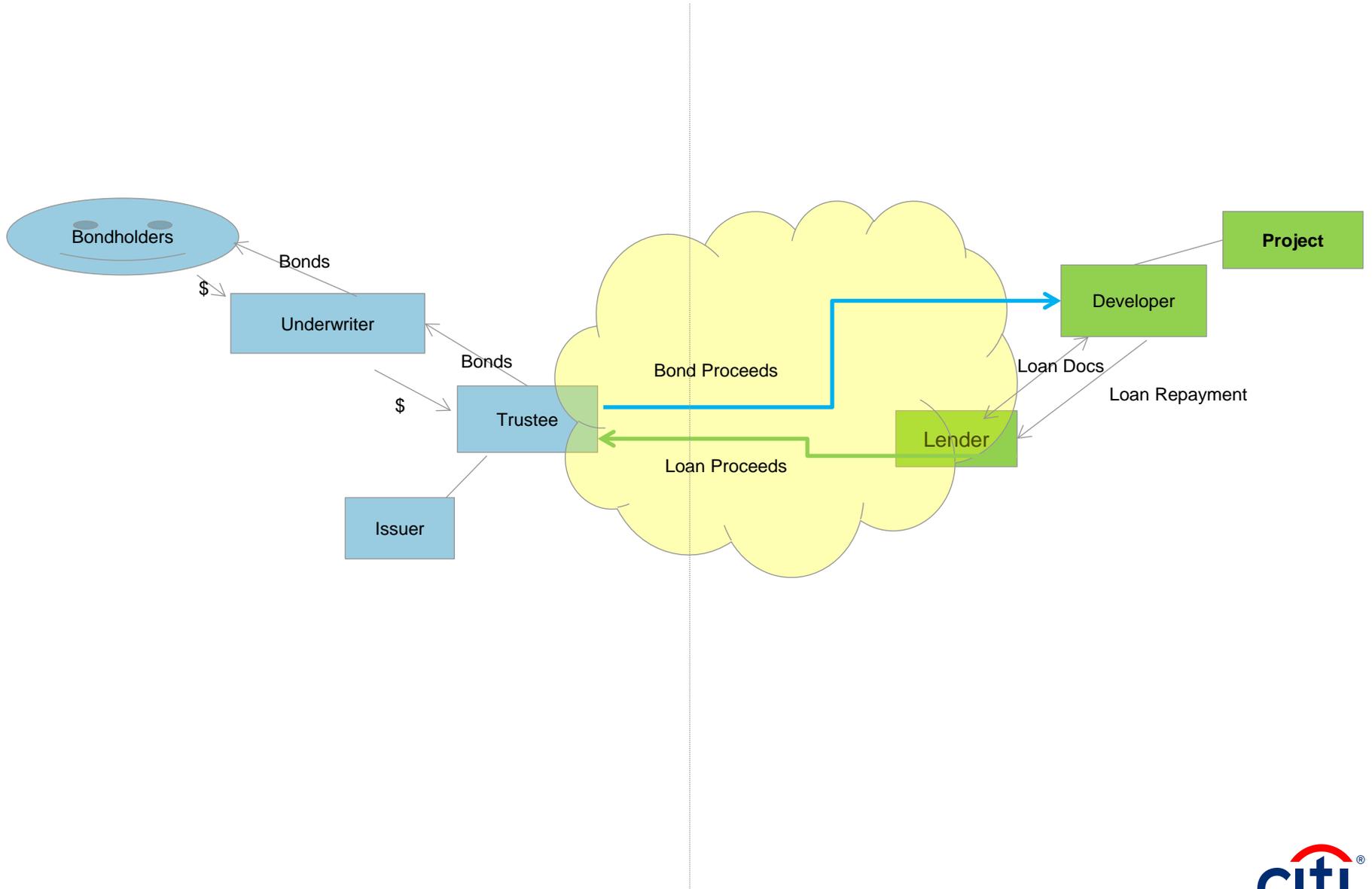


"Do you ever have one of those days when everything seems unconstitutional?"

The Players

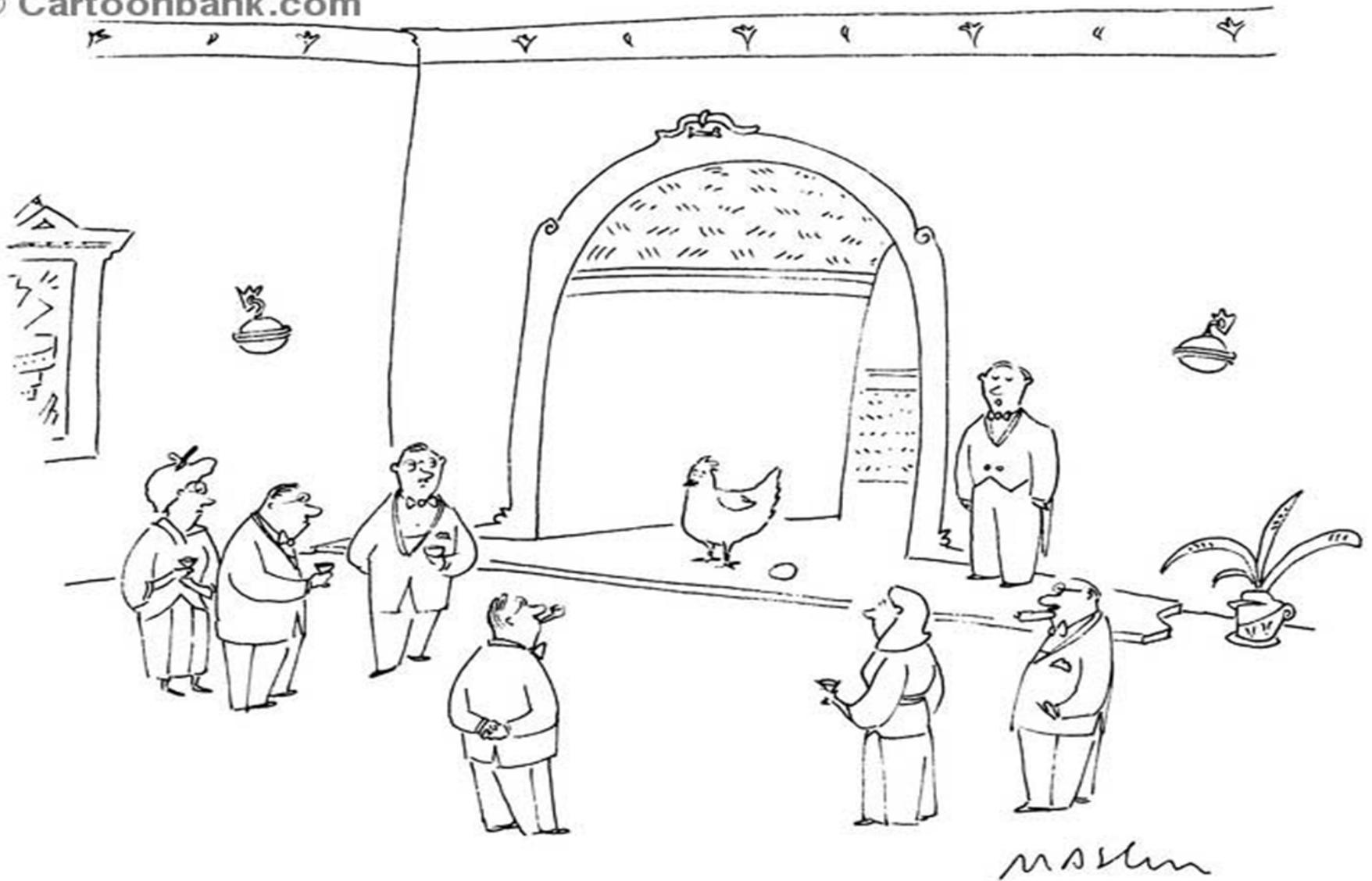
- Issuer
- Borrower
- Underwriter
- Trustee
- Counsel
- And others: investors, bridge lenders

Structure Recap



The Process

- The ideal
- The reality



“Ladies and gentlemen, the chicken, and, in a related development, the egg.”

The Homestretch

- Sequencing the closing
 - FHA Commitment
 - Issuer Approval
 - Rate Lock
 - Bond Sale
 - The Closing



“O.K., if a grand bargain is off the table, then how about a pony?”

Agenda

How it Works

Legal Considerations

FHA Financing

FHA Insured Financing with Short Term TE Bonds and LIHTCs

FHA Program

- New Construction or Substantial Rehabilitation – aka Sec. 221(d)(4)
 - Construction and Permanent Loan combined
 - Converts to permanent without performance hurdles
 - Construction exceeds \$17,550 per unit to qualify
 - Pays Davis-Bacon wages
 - 40 year fully amortizing term
- Moderate Rehabilitation – aka Sec. 223(f)
 - Permanent Loan
 - Construction hard costs under \$17,550 per unit
 - Pilot program allows up to \$40,000 total hard cost
 - No prevailing wage requirement
 - 35 year fully amortizing term

FHA Loan Amount

- Construction /Rehabilitation Loan
 - 87% Loan to Cost
 - 1.15x Debt Coverage
 - Construction and Permanent Loans are equal
- Permanent Loan
 - 85% Loan to Value (as if market rate)
 - 87% LTV if 90% of units covered by a HAP contract
 - 1.176x Debt Coverage on LIHTC restricted NOI
 - 1.15x Debt Coverage if 90% of unit covered by a HAP

FHA Underwriting

- Occupancy: 93% is standard
 - 95% if 90+% of units covered by a HAP contract
 - 95% if 100% of unit rents are 20% below market
- Rents: no required discount below LIHTC or market levels
- RE Tax Exemption: recognized for debt coverage purposes
- Value: as if market rate on stabilized basis

Process and Timing

- Single Stage Application (for both variants)
 - Concept meeting held with HUD at start
 - Fully underwritten property and borrower
 - Bond allocation in hand
 - LIHTC equity committed
 - Preliminary plans and specs at minimum
 - Final plans and specs due 30 days prior to closing
 - Cost breakdown/bid from General Contractor

Process and Timing

- Single Stage Application (for both variants)
 - Concept meeting held with HUD at start
 - Fully underwritten property and borrower
 - Bond allocation in hand
 - LIHTC equity committed
 - Preliminary plans and specs at minimum
 - Final plans and specs due 30 days prior to closing
 - Cost breakdown/bid from General Contractor

Timing

- Engagement and Concept Meeting
- Firm Application Submission
 - GC Costs plus 30 days
 - Engagement plus 90 days at a minimum
- HUD Commitment Review and Issuance
 - Application plus 45 days
- Closing
 - Rate lock: Commitment plus 7 days
 - Closing: Commitment plus 30 – 45 days

Tax Credit Equity

- LIHTC equity applied first to non-mortgageable costs.
 - Ex.: Developer fee, operating reserves, equity fees
- Minimum of 20% of total equity invested at closing.
- Remaining equity required by the HUD commitment may be funded from installments during the construction up to final completion.

Issues with Short Term Bonds

- The FHA loan process is completely independent of the bond issuance process but must match up for closing.
 - Bond allocation prior to lender application to HUD
 - Equity commitment prior to lender application
 - Simultaneous closing of bonds and loan

Disclaimer

This presentation has been prepared by individual personnel of Citigroup Global Markets Inc., Citigroup Global Markets Limited or their subsidiaries or affiliates (collectively, "Citi"). Such employees are not research analysts and are not subject to SEC or FSA rules designed to promote the independence of research and research analysts and accordingly may receive compensation related to securities or products to which these materials relate. These materials may contain general market commentary and excerpts of research; however they are not intended to constitute investment research, a research recommendation, research analysis or a research report for purposes of such rules.

In connection with any proposed transaction, Citi will be acting solely as a principal and not as your agent, advisor, account manager or fiduciary. Citi has not assumed a fiduciary responsibility with respect to the proposed transaction, and nothing in this or in any prior relationship between you and Citi will be deemed to create an advisory, fiduciary or agency relationship between us in respect of a proposed transaction. You should consider carefully whether you would like to engage an independent advisor to represent or otherwise advise you in connection with any proposed transaction, if you have not already done so.

Any terms set forth herein are intended for discussion purposes only and are subject to the final terms as set forth in separate definitive written agreements. This presentation is not a commitment to lend, syndicate a financing, underwrite or purchase securities, or commit capital nor does it obligate us to enter into such a commitment. By accepting this presentation, subject to applicable law or regulation, you agree to keep confidential the existence of and proposed terms for any contemplated transaction.

The provision of information in this presentation is not based on your individual circumstances and should not be relied upon as an assessment of suitability for you of a particular product or transaction. Even if Citi possesses information as to your objectives in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for you of any transaction, series of transactions or trading strategy.

This presentation is provided for information purposes and is intended for your use only. Except in those jurisdictions where it is impermissible to make such a statement, Citi hereby informs you that this presentation should not be considered as an offer to sell or the solicitation of an offer to purchase any securities or other financial products. This presentation does not constitute investment advice and does not purport to identify all risks or material considerations which should be considered when undertaking a transaction. Citi makes no recommendation as to the suitability of any of the products or transactions mentioned. Any trading or investment decisions you take are in reliance on your own analysis and judgment and/or that of your advisors and not in reliance on us.

Certain transactions, including those involving swaps and options, give rise to substantial risk including the potential loss of the principal amount invested, and are not suitable for all investors. Citi does not provide investment, accounting, tax, financial or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your independent advisors. Therefore, prior to entering into any transaction, you should determine, without reliance on Citi, the economic risks or merits, as well as the legal, tax and accounting characteristics and consequences of the transaction and that you are able to assume these risks. By acceptance of these materials, you and Citi hereby agree that from the commencement of discussions with respect to any transaction, and notwithstanding any other provision in this presentation, Citi hereby confirms that no participant in any transaction shall be limited from disclosing the U.S. tax treatment or U.S. tax structure of such transaction.

This presentation is not intended to forecast or predict future events. Past performance is not a guarantee or indication of future results. Any estimates and opinions included herein constitute Citi's judgment as of the date hereof and are subject to change without any notice.

This presentation may contain "forward-looking" information. Such information may include, but not be limited to, projections, forecasts or estimates of cash flows, yields or return, scenario analyses and proposed or expected portfolio composition. Any forward-looking information is based upon certain assumptions about future events or conditions and is intended only to illustrate hypothetical results under those assumptions (not all of which are specified herein or can be ascertained at this time). It does not represent actual termination or unwind prices that may be available to you. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. Illustrative performance results may be based on mathematical models that calculate those results by using inputs that are based on assumptions about a variety of future conditions and events and not all relevant events or conditions may have been considered in developing such assumptions. Accordingly, actual results may vary and the variations may be substantial. The products or securities identified in any of the illustrative calculations presented herein may therefore not perform as described and actual performance may differ, and may differ substantially, from those illustrated in this material. When evaluating any forward looking information you should understand the assumptions used and, together with your independent advisors, consider whether they are appropriate for your purposes.

Any securities or other financial products described herein may be subject to fluctuations of their mark-to market price or value. Such fluctuations may be substantial, depending on the type of securities or other financial products and the financial environment. In addition certain securities described in the presentation may provide for payments linked to or derived from prices or yields of one or more securities or other instruments or foreign currencies, and such provisions may result in negative fluctuations in the value of and the amounts payable with respect to such securities prior to or at redemption. You should consider the implication of such fluctuation with your independent accounting, tax and risk advisors.

Citi shall have no liability to you, the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of the data nor for any special, direct, indirect, incidental or consequential loss or damage which may be experienced because of the use of the information in this presentation or otherwise arising in connection with this presentation, provided that this exclusion of liability shall not exclude or limit any liability under any law or regulation applicable to Citi that may not be excluded or restricted. These materials are intended for distribution solely to customers of Citi in jurisdictions where such distribution is permitted. The information contained herein is proprietary information of Citi and may not be reproduced or otherwise disseminated in whole or in part without Citi's prior written consent.

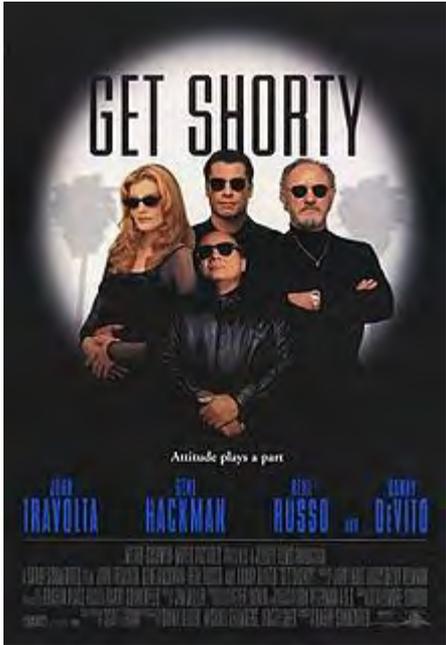
Citi often acts as (i) a market maker; (ii) an issuer of financial instruments and other products; and (iii) trades as principal in many different financial instruments and other products, and can be expected to perform or seek to perform investment banking and other services for the issuer of such financial instruments or other products. The author of this presentation may have discussed the information contained herein with others within or outside Citi and the author and/or such other Citi personnel may have already acted on the basis of this information (including by trading for Citi's proprietary accounts or communicating the information contained herein to other customers of Citi). Citi, Citi's personnel (including those with whom the author may have consulted in the preparation of this presentation), and other customers of Citi may be long or short the financial instruments or other products referred to in this presentation, may have acquired such positions at prices and market conditions that are no longer available, and may have interests different from or adverse to your interests.

Citi is required to obtain, verify and record certain information that identifies each entity that enters into a formal business relationship with Citi. Citi will ask for your complete name, street address, and taxpayer ID number. Citi may also request corporate formation documents, or other forms of identification, to verify information provided.

Although Citibank, N.A. (together with its subsidiaries and branches worldwide, "Citibank") is an affiliate of Citi, you should be aware that none of the financial instruments or other products mentioned in this presentation (unless expressly stated otherwise) are (i) insured by the Federal Deposit Insurance Corporation or any other governmental authority, or (ii) deposits or other obligations of, or guaranteed by, Citibank or any other insured depository institution.

IRS Circular 230 Disclosure: Citi and its employees are not in the business of providing, and do not provide, tax or legal advice to any taxpayer outside of Citi. Any statements in this presentation regarding tax matters were not intended or written to be used, and cannot be used or relied upon, by any taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

© 2012 Citigroup Global Markets Inc. Member SIPC. All rights reserved. Citi and Arc Design are trademarks and service marks of Citigroup Inc. or its affiliates and are used and registered throughout the world.



How Short Term Bonds with FHA Financing Can Enhance your Bottom Line

Mark Dean
 Managing Director
 Citi
Mark.W.Dean@citi.com
 206-346-2839

Faith Pettis
 Partner
 Pacifica Law Group
Faith.Pettis@pacificallawgroup.com
 206-245-2715

John Taylor
 Senior Vice President
 CBRE Capital Markets | FHA Lending Group
John.Taylor@cbre.com
 206-830-6495

