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MUNICIPAL MORTGAGE & EQUITY LLC

Form 8-K

April 23, 2003

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15 (d) of the  
Securities Exchange Act of 1934

April 22, 2003  
(Date of Report (Date of Earliest Event Reported))

MUNICIPAL MORTGAGE & EQUITY, LLC  
(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or other jurisdiction of incorporation)	011-11981 (Commission File Number)	52-1449733 (I.R.S. Employer Identification No.)
---	--	---

218 North Charles Street, Suite 500, Baltimore, Maryland (Address of Principal Executive Offices)	21201 (Zip Code)
---	---------------------

(443) 263-2900  
(Registrant's Telephone Number, including Area Code)

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No. Description of Document

99.1 Earnings Package, dated March 31, 2003

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- 99.2 Earnings Press Release and Financial Statements, dated March 31, 2003
- 99.3 Production Press Release, dated March 31, 2003

### Item 12. Results of Operations and Financial Condition.

On April 22, 2003, Municipal Mortgage & Equity, LLC (the "Company"), distributed an earnings package to Analysts relating to the Company's financial performance for the quarter ended March 31, 2003. A copy of the package, dated March 31, 2003, is attached hereto as Exhibit 99.1.

On April 22, 2003, the Company distributed an earnings press release and financial statements relating to the Company's financial performance for the quarter ended March 31, 2003. A copy of the press release and financial statements, dated March 31, 2003, are attached hereto as Exhibit 99.2.

On April 22, 2003, the Company distributed a production press release relating to the Company's production volume for the quarter ended March 31, 2003. A copy of the press release, dated March 31, 2003, is attached hereto as Exhibit 99.3.

Exhibit 99.1

### MUNICIPAL MORTGAGE AND EQUITY, LLC

#### EARNINGS PACKAGE

QUARTER ENDED MARCH 31, 2003

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MUNICIPAL MORTGAGE & EQUITY, LLC  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except share and per share data)  
(unaudited)

	For the three March
	----- 2003 -----
INCOME:	
Interest income	
Interest on bonds and residual interests in bond securitizations	\$ 15,985
Interest on loans	9,503
Interest on short-term investments	192
Total interest income	----- 25,680 -----
Fee income	
Syndication fees	1,411
Origination fees	698
Loan servicing fees	1,909
Asset management and advisory fees	1,076
Other income	2,197
Total fee income	----- 7,291 -----
Net gain on sales	----- 1,278 -----
Total income	----- 34,249 -----
EXPENSES:	
Interest expense	10,368
Salaries and benefits	5,966
General and administrative	1,656
Professional fees	989
Amortization of mortgage servicing rights and other intangibles	389
Total expenses	----- 19,368 -----

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Net holding gains on derivatives	2,873
Impairments and valuation allowances related to investments	-
Net losses from equity investments in partnerships	(747)
Income tax expense	(68)
Income allocable to preferred shareholders in a subsidiary company	(2,994)
Net income	\$ 13,945
LESS:	
Net income allocable to term growth shares	-
Net income allocated to common shares	\$ 13,945
EARNINGS PER COMMON SHARE:	
Basic earnings per common share:	
Basic earnings per common share	\$ 0.51
Weighted average common shares outstanding	27,342,870
Diluted earnings per share:	
Diluted earnings per common share	\$ 0.50
Weighted average common shares outstanding	27,681,511

### VARIANCE ANALYSIS FOR GAAP

1st Quarter 2003 Compared to 1st Quarter 2002:

Total income for the first quarter of 2003 increased \$1.4 million over the same period last year due primarily to the following changes: (1) a \$1.6 million increase in total interest income due primarily to a \$1.9 million increase in collections of interest on bonds, residual interests in bond securitizations and loans. This increase resulted from an increase in on-balance sheet assets related to securitizations and larger average notes receivable balances and was offset by a \$0.3 million decrease in interest on short-term investments resulting from funding of operations as well as lower investment yields; (2) a \$0.7 million increase in fee income due primarily to a \$1.1 million increase in other income related to prepayment fees from early payment of tax-exempt bond investments, offset by a \$0.4 million decrease in origination fees related to a decrease in the volume of permanent loan and conventional equity transactions closed during the quarter; and (3) a \$0.9 million decrease in gain on sales due primarily to: (i) a \$0.8 million decrease in the gain on sales of permanent loans caused by a decrease in the volume of permanent loans sold; (ii) a \$1.0 million gain that was recognized in first quarter of 2002 related to the restructuring of a securitization trust; offset by (iii) a \$0.8 million increase in the gain on sales of loans related to an increase in premiums on the delivery of loans to HUD and gain on sales of loans to a new conduit lender; and (iv) a \$0.1 million gain on sales of investments in partnerships.

Total expenses for the first quarter of 2003 increased \$2.9 million over the same period last year due primarily to the following changes: (1) a \$1.4 million increase in interest expense associated with an increase in financing costs related to on-balance-sheet securitizations and larger average notes payable balances outstanding during the quarter; (2) a \$1.1 million increase in salaries and benefits resulting from a \$0.3 million increase in salaries and other compensation and a \$0.9 million increase in bonus expense, offset by a \$0.1 million decrease in temporary assistance and employment advertising; and (3) a \$0.4 million increase in professional fees due primarily to a \$0.2 million increase in legal fees, a \$0.5 million increase in consulting fees and a \$0.1

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million increase in printing expense, offset by a \$0.5 million decrease in commission expense. Commission expense is no longer incurred by the Company because the pass-through of commission income and expense has been transferred to the syndicated tax credit equity funds.

The Company also recorded net holding gains of \$2.9 million for the change in market value of the Company's derivative financial instruments, \$0.7 million of losses from equity investments in partnerships and \$0.1 million in income tax expense in the first quarter of 2003. Income tax expense decreased by \$0.9 million from the same period in 2002 primarily as a result of taxable losses generated by the investment in the CAPREIT 3M venture.

MUNICIPAL MORTGAGE & EQUITY, LLC  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except share and per share data)  
(unaudited)

	Qtr Ended 03/31/03	Qtr Ended 12/31/02	Qtr 09/
	-----	-----	-----
<b>INCOME:</b>			
Interest income			
Interest on bonds and residual interests in bond securitizations	\$ 15,985	\$ 13,953	\$
Interest on loans	9,503	9,195	
Interest on short-term investments	192	264	
Total interest income	----- 25,680	----- 23,412	
Fee income			
Syndication fees	1,411	2,456	
Origination fees	698	2,023	
Loan servicing fees	1,909	1,711	
Asset management and advisory fees	1,076	1,011	
Other income	2,197	1,132	
Total fee income	----- 7,291	----- 8,333	
Net gain on sales	----- 1,278	----- 5,032	
Total income	----- 34,249	----- 36,777	
<b>EXPENSES:</b>			
Interest expense	10,368	10,366	
Salaries and benefits	5,966	6,475	
General and administrative	1,656	1,841	
Professional fees	989	1,472	
Amortization of mortgage servicing rights and other intangibles	389	329	
Total expenses	----- 19,368	----- 20,483	
Net holding gains (losses) on derivatives	2,873	(333)	
Impairments and valuation allowances related to investments	-	(620)	
Net gains (losses) from equity investments in partnerships	(747)	(1,341)	
Income tax benefit (expense)	(68)	(260)	
Income allocable to preferred shareholders in a subsidiary company	(2,994)	(2,994)	
	-----	-----	

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Net income	\$ 13,945	\$ 10,746	\$
=====			
LESS:			
Net income allocable to term growth shares	-	-	
-----			
Net income allocated to common shares	\$ 13,945	\$ 10,746	\$
=====			
EARNINGS PER COMMON SHARE:			
Basic earnings per common share:			
Basic earnings per common share	\$ 0.51	\$ 0.42	\$
-----			
Weighted average common shares outstanding	27,342,870	25,426,254	25,3
Diluted earnings per common share:			
Diluted earnings per common share	\$ 0.50	\$ 0.41	\$
-----			
Weighted average common shares outstanding	27,681,511	25,917,641	25,9

Note: Certain prior quarter amounts have been reclassified to conform to the 03/31/03 presentation.

Municipal Mortgage & Equity, LLC  
Reconciliation of Basic and Diluted EPS  
(unaudited)

	For the three months ended March 31, 2003			For the
	Income	Shares	Per Share	Inco
	(Numerator)	(Denominator)	Amount	(Numer
	-----	-----	-----	-----
(in thousands, except share and per share data)				
Basic EPS				
Income allocable to common shares	\$ 13,945	27,342,870	\$ 0.51	\$ 14
				=====
Effect of Dilutive Securities				
Options and deferred shares	-	338,641		
Earnings contingency	-	-		
				-----
Diluted EPS				
Income allocable to common shares plus assumed conversions	\$ 13,945	27,681,511	\$ 0.50	\$ 14
				=====

MUNICIPAL MORTGAGE & EQUITY, LLC  
RECONCILIATION OF GAAP NET INCOME TO CASH AVAILABLE FOR DISTRIBUTION  
(In thousands)  
(unaudited)

Qtr Ended	Qtr Ended	Qtr En
03/31/03	12/31/02	09/30/

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INCOME:			
Interest income			
Interest on bonds and residual interests in bond securitizations	\$ 15,985	\$ 13,953	\$ 15,985
Interest on loans	9,503	9,195	8,953
Interest on short-term investments	192	264	192
Total interest income	25,680	23,412	25,130
Fee income			
Syndication fees	1,411	2,456	1,411
Origination fees	698	2,023	698
Loan servicing fees	1,909	1,711	1,909
Asset management and advisory fees	1,076	1,011	1,076
Other income	2,197	1,132	2,197
Total fee income	7,291	8,333	7,291
Net gain on sales	1,278	5,032	1,278
Total income	34,249	36,777	34,249
EXPENSES:			
Interest expense	10,368	10,366	10,368
Salaries and benefits	5,966	6,475	5,966
General and administrative	1,656	1,841	1,656
Professional fees	989	1,472	989
Amortization of mortgage servicing rights and other intangibles	389	329	389
Total expenses	19,368	20,483	19,368
Net holding gains (losses) on derivatives	2,873	(333)	2,873
Impairments and valuation allowances related to investments	-	(620)	-
Net gains (losses) from equity investments in partnerships	(747)	(1,341)	(747)
Income tax benefit (expense)	(68)	(260)	(68)
Income allocable to preferred shareholders in a subsidiary company	(2,994)	(2,994)	(2,994)
Net income	\$ 13,945	\$ 10,746	\$ 13,945
LESS:			
Net income allocable to term growth shares	-	-	-
Net income allocated to common shares - GAAP Basis	\$ 13,945	\$ 10,746	\$ 13,945
Conversion to Cash Available for Distribution:			
(1)Mark to market adjustments	\$ (2,873)	\$ 333	\$ (2,873)
(2)Equity investments	2,409	2,836	2,409
(3)Net gain on sales	(327)	(3,395)	(327)
(3)Amortization of capitalized mortgage servicing fees	352	329	352
(4)Origination fees and other income, net	282	1,377	282
(5)Valuation allowances and other-than-temporary impairments	-	620	-
(6)Deferred tax expense	628	703	628
Cash Available for Distribution (CAD)	\$ 14,416	\$ 13,549	\$ 14,416

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Notes

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(1) For GAAP reporting, the Company records the non-cash change in fair value of its investment in interest rate swaps and other derivative financial instruments through net income. These non-cash gains and losses are not included in the Company's calculation of CAD.

(2) For GAAP reporting, the Company accounts for various investments in partnerships using the equity accounting method. As a result, the Company's allocable share of the income or loss from the partnerships is reported in income (losses) from equity investments in partnerships. The income from these partnerships includes depreciation expense and changes in the fair value of investments in derivatives. For GAAP reporting, distributions are treated as a return of capital. For CAD reporting, the Company records the cash distributions it receives from the partnerships as other income.

(3) For GAAP reporting, the Company recognizes non-cash gains and losses associated with the sale of assets or capitalization of mortgage servicing rights. The capitalized mortgage servicing rights are amortized into expense over the estimated life of the serviced loans. The non-cash gains and the associated amortization expense are not included in CAD.

(4) Origination fees and certain other income amounts are recognized as income when received for CAD purposes, but for GAAP reporting these items are deferred and amortized into income over the life of the associated investment. This adjustment represents the net difference, for the relevant period, between fees taken into income when received for CAD and the amortization of fees recorded for GAAP.

(5) For GAAP reporting, the Company records valuation allowances and other-than-temporary impairments on its investments in loans, bonds and other bond-related investments. Such non-cash charges do not affect the cash flow generated from the operation of the underlying properties, distributions to shareholders, or the tax-exempt status of the income of the financial obligation under the bonds. Therefore, these items are not included in the calculation of CAD.

(6) For GAAP reporting, the Company's income tax expense contains both a current and a deferred component. Only the Company's current income tax expense is reflected in CAD.

MUNICIPAL MORTGAGE & EQUITY, LLC  
 CALCULATION OF CASH AVAILABLE FOR DISTRIBUTION  
 (In thousands, except share and per share data)  
 (unaudited)

		For the t Ma
		-----
		2003
		-----
SOURCES OF CASH:		
Interest on bonds, residual interests in bond securitizations and loans	\$	24,848
Interest on short-term investments		192
Loan servicing fees		1,909
Origination and syndication fees		2,571
Other income		4,998
Net gain on sales		951



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TOTAL SOURCES OF CASH	35,469
EXPENSES:	
Interest expense	9,839
Salaries and benefits	5,966
Professional fees	989
General and administrative	1,825
Income taxes	(560)
TOTAL EXPENSES	18,059
CASH AVAILABLE FOR DISTRIBUTION	17,410
LESS:	
Cash allocable to preferred shareholders in a subsidiary company and term growth shares	2,994
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 14,416
CAD PER COMMON SHARE	\$ 0.50
CALCULATION OF CASH DISTRIBUTION:	
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$ 14,416
ACTUAL AMOUNT PAID	\$ 12,837
PAYOUT RATIO	89.0
COMMON SHARES OUTSTANDING	28,846,327
CASH DISTRIBUTION PER COMMON SHARE	\$ 0.4450

Cash Available for Distribution ("CAD") differs from net income because of variations between generally accepted accounting principles ("GAAP") income and actual cash received. There are three primary differences between CAD and GAAP income. The first is the treatment of loan origination fees, which for CAD purposes are recognized as income when received but for GAAP purposes are amortized into income over the life of the associated investment. The second difference is the non-cash gain and loss recognized for GAAP associated with valuations, sales of investments and capitalization of mortgage servicing rights, which are not included in the calculation of CAD. The third difference is the treatment of the Company's investments in partnerships. For GAAP, the Company records its allocable share of the income (loss) from the partnership as income, while for CAD reporting, the Company records the cash distributions it receives from the partnership as income. For a reconciliation of GAAP net income to CAD, see page 9.

CAD per common share is calculated based on the number of shares outstanding at the end of each quarter. For GAAP, basic net income per share is calculated based on the weighted average shares outstanding during the period. The weighted average shares outstanding for diluted net income per share include

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the potential dilutive effect from the exercise of options, vesting of restricted shares, and provision for shares to be awarded under the Midland acquisition earn out provision.

### VARIANCE ANALYSIS FOR CAD

#### 1st Quarter 2003 Compared to 1st Quarter 2002:

Total income for the first quarter of 2003 increased \$4.6 million over the same period last year due primarily to the following changes: (1) a \$2.7 million increase in other income due primarily to: (i) a \$1.7 million increase in income from the CAPREIT investments made in the third quarter of 2002; (ii) a \$0.6 million commitment fee collected on a conventional equity deal; (iii) \$0.9 million in prepayment fees collected from the early payment of tax-exempt bond investments; and (iv) a \$0.5 million decrease in commission income; (2) a \$1.9 million increase in collections of interest on bonds, residual interests in bond securitizations and loans; (3) a \$0.9 million increase in gain on sales related to an increase in premiums on the delivery of loans to HUD and gain on sale on delivery of loans to a new conduit lender; and (4) a \$0.6 million decrease in origination and syndication fees. The \$0.4 million decrease in origination fees is due to a decrease in the volume of permanent loans and conventional equity transactions closed during the quarter. The \$0.2 million decrease in syndication fees is a result of taking \$0.5 million in organizational and offering cost reimbursements related to closed syndicated tax credit equity funds into income during the first quarter of 2002, whereas no such fees were recognized during the first quarter of 2003. This decrease was partially offset by an increase in the volume of syndications closed.

Total expenses for the first quarter increased \$2.2 million over the same period last year due primarily to the following changes: (1) a \$1.5 million increase in interest expense associated with an increase in financing costs related to on-balance-sheet securitizations and larger average notes payable balances outstanding during the quarter; (2) a \$1.1 million increase in salaries and benefits resulting from a \$0.3 million increase in salaries and other compensation and a \$0.9 million increase in bonus expense, offset by a \$0.1 million decrease in temporary assistance and employment advertising; (3) a \$1.0 million decrease in income tax expense primarily as a result of taxable losses generated by the investment in the CAPREIT 3M venture; and (4) a \$0.4 million increase in professional fees due primarily to a \$0.2 million increase in legal fees, a \$0.5 million increase in consulting fees and a \$0.1 million increase in printing expense, offset by a \$0.5 million decrease in commission expense. Commission expense is no longer incurred by the Company because the pass-through of commission income and expense has been transferred to the syndicated tax credit equity funds.

MUNICIPAL MORTGAGE & EQUITY, LLC  
CALCULATION OF CASH AVAILABLE FOR DISTRIBUTION  
(In thousands, except share and per share data)  
(unaudited)

Qtr Ended	Qtr Ended	Qtr E
03/31/03	12/31/02	09/30

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### SOURCES OF CASH:

Interest on bonds, other bond-related investments, other notes and loans	\$	24,848	\$	22,596	\$	2
Interest on short-term investments		192		264		
Loan servicing fees		1,909		1,711		
Origination and syndication fees		2,571		5,463		
Other income		4,998		4,155		
Net gain on sales		951		1,637		

TOTAL SOURCES OF CASH		35,469		35,826		3
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### EXPENSES:

Interest expense		9,839		9,899		
Salaries and benefits		5,966		6,475		
Professional fees		989		1,472		
Other operating expenses		1,825		1,880		
Income taxes		(560)		(443)		

TOTAL EXPENSES		18,059		19,283		1
----------------	--	--------	--	--------	--	---

CASH AVAILABLE FOR DISTRIBUTION		17,410		16,543		1
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### LESS:

Cash allocable to preferred shareholders in a subsidiary company and term growth shares		2,994		2,994		
--	--	-------	--	-------	--	--

CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$	14,416	\$	13,549	\$	1
---	----	--------	----	--------	----	---

CAD PER COMMON SHARE	\$	0.50	\$	0.53	\$	
----------------------	----	------	----	------	----	--

### CALCULATION OF CASH DISTRIBUTION:

CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$	14,416	\$	13,549	\$	1
---	----	--------	----	--------	----	---

ACTUAL AMOUNT PAID	\$	12,837	\$	11,304	\$	1
--------------------	----	--------	----	--------	----	---

PAYOUT RATIO		89.0%		83.4%		
--------------	--	-------	--	-------	--	--

COMMON SHARES OUTSTANDING		28,846,327		25,546,010		25,34
---------------------------	--	------------	--	------------	--	-------

CASH DISTRIBUTION PER COMMON SHARE	\$	0.4450	\$	0.4425	\$	0
------------------------------------	----	--------	----	--------	----	---

Note: Certain prior quarter amounts have been reclassified to conform to the 03/31/03 presentation.

CAD differs from net income because of variations between GAAP income and actual cash received. There are three primary differences between CAD and GAAP income. The first is the treatment of loan origination fees, which for CAD purposes are recognized as income when received but for GAAP purposes are amortized into income over the life of the associated investment. The second difference is the non-cash gain and loss recognized for GAAP associated with valuations, sales of investments and capitalization of mortgage servicing rights, which are not included in the calculation of CAD. The third difference is the treatment of the Company's investments in partnerships. For GAAP, the Company records its allocable share of the income (loss) from the partnership as

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income, while for CAD reporting, the Company records the cash distributions it receives from the partnership as income. For a reconciliation of GAAP net income to CAD, see page 9.

CAD per common share is calculated based on the number of shares outstanding at the end of each quarter. For GAAP, basic net income per share is calculated based on the weighted average shares outstanding during the period. The weighted average shares outstanding for diluted net income per share include the potential dilutive effect from the exercise of options, vesting of restricted shares, and provision for shares to be awarded under the Midland acquisition earn out provision.

### MUNICIPAL MORTGAGE & EQUITY, LLC CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands)

	(unaudited) March 31, 2003	Dece 2
	-----	-----
<b>ASSETS:</b>		
Investment in tax-exempt bonds and residual interests in bond securitizations	\$ 812,287	\$
Loans receivable, net	440,112	
Investments in partnerships	98,756	
Investment in derivative financial instruments	18,404	
Cash, cash equivalents and interest receivable	65,986	
Other assets	84,805	
Goodwill	33,589	
	-----	-----
<b>TOTAL</b>	<b>\$ 1,553,939</b>	<b>\$ 1,</b>
	=====	=====
<b>LIABILITIES AND EQUITY:</b>		
Notes payable	\$ 381,073	\$
Short-term debt	219,590	
Long-term debt	146,987	
Residual interests in bond securitizations	1,438	
Investment in derivative financial instruments	46,128	
Current liabilities	31,052	
Preferred shareholders' equity in a subsidiary company	160,465	
Shareholders' equity	567,206	
	-----	-----
<b>TOTAL</b>	<b>\$ 1,553,939</b>	<b>\$ 1,</b>
	=====	=====
 <b>BOOK VALUE PER COMMON SHARE</b>	 <b>\$ 19.66</b>	 <b>\$</b>
	=====	=====

MUNICIPAL MORTGAGE & EQUITY, LLC  
2003 INVESTMENTS  
FIRST QUARTER  
(In thousands)

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BOND PRODUCTION:

PROPERTY	CITY	STATE	PERMANENT INTEREST RATE
Autumn Oaks/Thousand Oaks (1)	San Antonio	TX	7.200%
Liberty Park (2)	Camden	NJ	7.450%
TOTAL			

(1) The Company earned a 1.00% origination fee on this deal.

(2) The Company's initial investment in these bonds was \$5.3 million. The Company earned a 1.25% origination fee on this deal.

CONSTRUCTION/PERMANENT LENDING, SYNDICATION AND OTHER PRODUCTION:

Tax Credit Equity Syndications (Equity Raised)

Tax Credit Lending Production

Conventional Equity Production

Taxable Construction Loan Production (generating  
a weighted average spread of 1.18%)

Taxable Permanent Loan Production

Supplemental Loans

OTHER INFORMATION:

Balance as of 3/31/03 of Midland Servicing Portfolio  
under Management

Balance as of 3/31/03 of Midland Equity Syndication  
Portfolio under Management

MUNICIPAL MORTGAGE & EQUITY, LLC  
PARTICIPATING BOND PORTFOLIO  
NET OPERATING INCOME - TREND  
As of March 31, 2003

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Property -----	Q1 2002 Actual -----	Q4 2002 Actual -----	Q1 2003 (2) Actual -----
Alban	275,263	239,695	250,336
(1) Arlington	0	-10,989	-2,315
Barkley Place	408,233	167,026	309,728
(1) Barrington at Beach Street	33,844	137,698	176,137
Cobblestone	171,316	165,532	152,517
(1) Cool Springs	-99,615	31,961	37,840
Creekside	290,387	292,195	286,799
Crossings	166,016	153,686	193,113
Gilman Meadows	185,601	156,969	169,690
Hamilton Grove	238,469	178,965	174,555
Jefferson Commons	524,771	284,836	412,727
Lakeview	207,168	188,801	154,182
Mallard I	34,090	34,006	35,081
Mallard II	106,062	111,175	98,128
Montclair	398,527	259,291	341,713
Newport Village	280,354	216,901	208,174
Nicollet Ridge	339,652	357,517	379,039
North Pointe	582,135	558,835	641,338
Palisades Park	242,262	247,662	248,546
Riverset I	365,203	383,727	387,552
Riverset II	160,726	182,374	164,847
Steeplechase Falls Meadows	387,299	317,990	441,482
Timber Ridge	171,587	137,729	139,658
Villas at LaRiviera	159,811	149,129	139,260
Whispering Lake	238,384	254,038	229,933
Winter Oaks	290,339	332,708	320,967
	272,164	301,480	289,681
Total	6,430,050	5,830,937	6,380,707
Same Store Growth	6,495,820	5,672,267	6,169,045

- (1) In Lease-up. Quarterly totals are not included in Same Store Growth calculations.  
(2) Q1 2003 represents two months actual, one month budget

Apartment Community -----	Month/Year Acquired -----	Apartment Units -----	Month Ended March 31, 2003 -----
Participating Mortgage Bonds:			
Alban Place	Sep-86	194	94.8%
Cobblestone	Aug-99	184	92.4%
Creekside Village	Nov-87	296	99.7%
Crossings	Jan-97	200	89.0%
Jefferson Commons	Dec-00	173	88.0%
Lakeview	Sep-87	180	96.1%
North Pointe	Sep-86	540	90.9%

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Timber Ridge	Dec-00	168	96.4%
Villas at LaRiviera	Jun-99	199	91.0%
		-----	
Subtotal Participating Mortgage Bonds		2,134	
		-----	
Mortgage Bonds			
Applewood (a.k.a. Paola)	Jul-99	48	97.9%
Buchanan Bay	Mar-01	228	89.0%
Charter House (2)	Dec-96	----	N/A
Cielo Vista	Aug-99	378	90.5%
Country Club	Jul-99	101	85.1%
Delta Village	Jun-99	80	95.0%
Elmbrooke	Aug-00	54	100.0%
Florida A&M	Feb-00	96	86.5%
Gannon (Dade) (3)	Feb-98	799	96.7%
Gannon (St. Louis)	Feb-98	336	93.2%
Hidden Valley	Dec-96	82	92.7%
Honey Creek	Mar-99	656	97.7%
Hunter's Glen	Mar-01	383	74.4%
Lake Piedmont	Apr-98	648	88.4%
Monroe (Oakmont, Towne Oak)	Dec-98	364	97.5%
Mountain View (Willowgreen)	Nov-86	241	91.3%
Northridge Park II	Aug-87	128	90.6%
Oakbrook	Dec-96	170	100.0%
Oklahoma City (4)	Aug-98	774	95.2%
Orangevale	Apr-98	64	98.4%
Parkwood	Jun-99	180	99.4%
Riverset II (1)	Jan-96	----	N/A
Riverview	Jun-00	228	97.8%
Sahuarita	Jun-99	52	86.5%
Santa Fe Springs	Jun-00	310	77.1%
Shadowbrook	Jun-99	193	98.4%
Silver Springs	Dec-99	250	90.0%
Southwind	Aug-00	88	100.0%
Torries Chase	Dec-96	99	100.0%
Village Apartments	May-00	210	96.7%
Village at Stone Mountain	Oct-97	722	88.9%
Village Green	Feb-00	200	87.0%
Weatherstone	Sep-00	100	86.0%
Western Hills	Dec-98	80	76.3%
Willow Key	Mar-99	384	95.8%
Woodglen	Dec-99	250	82.4%
Woodmark	Jun-99	173	97.7%
		-----	
Subtotal Mortgage Bonds		9,149	
		-----	
Participating Subordinate Mortgage Bonds:			
Barkley Place	May-87	156	98.7%
Gilman Meadows	Mar-87	125	91.2%
Hamilton Chase	Feb-87	300	91.7%
Mallard Cove I & II	Feb-87	198	94.4%
Meadows	Jan-88	200	91.0%
Montclair	Oct-86	159	92.5%
Newport Village	Dec-86	220	85.5%
Nicollet Ridge	Dec-87	339	90.6%
Riverset II	Jan-96	148	90.0%
Steeplechase	Oct-88	450	94.0%
Whispering Lake	Oct-87	384	90.4%
		-----	
Subtotal Participating Subordinate Mortgage Bonds		2,679	
		-----	

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Apartment Community	Month/Year Acquired	Apartment Units	Month Ended February 28, 2003
Participating Mortgage Bonds:			
Alban Place	Sep-86	194	920
Cobblestone	Aug-99	184	580
Creekside Village	Nov-87	296	554
Crossings	Jan-97	200	757
Jefferson Commons	Dec-00	173	1,280
Lakeview	Sep-87	180	711
North Pointe	Sep-86	540	713
Timber Ridge	Dec-00	168	496
Villas at LaRiviera	Jun-99	199	704
		2,134	
Subtotal Participating Mortgage Bonds			
Mortgage Bonds			
Applewood (a.k.a. Paola)	Jul-99	48	518
Buchanan Bay	Mar-01	228	716
Charter House (2)	Dec-96	----	N/A
Cielo Vista	Aug-99	378	387
Country Club	Jul-99	101	445
Delta Village	Jun-99	80	581
Elmbrooke	Aug-00	54	1,103
Florida A&M	Feb-00	96	1,378
Gannon (Dade) (3)	Feb-98	799	758
Gannon (St. Louis)	Feb-98	336	585
Hidden Valley	Dec-96	82	557
Honey Creek	Mar-99	656	546
Hunter's Glen	Mar-01	383	580
Lake Piedmont	Apr-98	648	486
Monroe (Oakmont, Towne Oak)	Dec-98	364	488
Mountain View (Willowgreen)	Nov-86	241	642
Northridge Park II	Aug-87	128	1,017
Oakbrook	Dec-96	170	452
Oklahoma City (4)	Aug-98	774	487
Orangevale	Apr-98	64	968
Parkwood	Jun-99	180	475
Riverset II (1)	Jan-96	----	N/A
Riverview	Jun-00	228	653
Sahuarita	Jun-99	52	551
Santa Fe Springs	Jun-00	310	605
Shadowbrook	Jun-99	193	494
Silver Springs	Dec-99	250	773
Southwind	Aug-00	88	716
Torries Chase	Dec-96	99	514
Village Apartments	May-00	210	568
Village at Stone Mountain	Oct-97	722	760
Village Green	Feb-00	200	633
Weatherstone	Sep-00	100	801
Western Hills	Dec-98	80	515
Willow Key	Mar-99	384	696



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Woodglen	Dec-99	250	668
Woodmark	Jun-99	173	680
		-----	
Subtotal Mortgage Bonds		9,149	
		-----	
Participating Subordinate Mortgage Bonds:			
Barkley Place	May-87	156	2,075
Gilman Meadows	Mar-87	125	1,011
Hamilton Chase	Feb-87	300	622
Mallard Cove I & II	Feb-87	198	715
Meadows	Jan-88	200	607
Montclair	Oct-86	159	1,842
Newport Village	Dec-86	220	844
Nicollet Ridge	Dec-87	339	953
Riverset II	Jan-96	148	714
Steeplechase	Oct-88	450	608
Whispering Lake	Oct-87	384	651
		-----	
Subtotal Participating Subordinate Mortgage Bonds		2,679	
		-----	

Apartment Community	Month/Year Acquired	Apartment Units	Month Ended March 31, 2003
-----	-----	-----	-----
Subordinate Mortgage Bonds:			
CAPREIT	Sep-99	----	N/A
Cinnamon Ridge	Jan-99	----	N/A
Farmington Meadows	Aug-99	69	98.6%
Independence Ridge	Aug-96	336	71.1%
Locarno	Aug-96	110	86.4%
Olde English Manor	Nov-99	----	N/A
Peaks of Conyer	Sep-01	260	85.0%
Rillito Village	Jul-00	----	N/A
Winter Oaks	Nov-99	460	95.4%
		-----	
Subtotal Subordinate Mortgage Bonds		1,235	
		-----	
Other Bond Related Investments:			
Briarwood	Dec-98	600	94.8%
Cinnamon Ridge	Dec-97	264	92.8%
Golfside Villas (f.k.a. Club West)	Mar-99	194	99.0%
Park at Landmark	Sep-00	396	94.2%
Poplar Glen	Jun-97	191	93.7%
rites - Charter House	Dec-96	280	93.2%
rites - Indian Lakes	Jul-97	296	73.0%
rites - LaPaloma	Apr-99	120	100.0%
rites - LeMirador (Coleman Senior)	Apr-98	141	89.4%
rites - Museum Towers	Apr-01	286	94.1%
rites - Olde English Manor	Jun-98	264	82.2%
rites - Palisades Park	Feb-98	304	96.4%
rites - Pavillion	Apr-99	132	99.2%
rites - Queen Anne IV	Jul-98	110	82.7%
rites - Rancho/Villas	May-00	417	86.6%
rites - Rillito Village	Aug-98	272	91.2%
rites - Riverset (1)	Aug-88	352	90.0%

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rites - Riverset II (1)	Jan-96	----	N/A
rites - Sienna (a.k.a. Italian Gardens)	Apr-98	140	91.4%
rites - Sonterra	May-98	156	90.4%
rites - Southgate Crossings	Jun-97	215	94.0%
rites - Southwood	Nov-97	1,286	74.2%
		-----	
Subtotal Other Bond Related Investments		6,416	
		-----	
Total Units/Weighted Average Investments		21,613	90.4%
		=====	
Total/Same Stores (5) 2000		21,025	90.5%
Total/Same Stores (5) 2001		21,613	90.4%
Construction/Substantial Rehab Properties and Other Investments			
Arlington	Dec-00	176	31.8%
Autumn Oaks/Crest at Thousand Oaks	Feb-03	410	N/A
Barrington at Beach Street	Oct-00	398	58.0%
Bedford Park	Oct-00	312	64.1%
CAPREIT Joint Venture (6)	Jun-02	6,279	94.2%
CAPREIT TERA (7)	Mar-01	2,942	93.8%
Chancellor	Nov-01	101	N/A
Chancellor II	Mar-02	46	N/A
City Views at Rosa Burney Park	Dec-02	180	N/A
Cool Springs	Aug-00	124	53.2%
Coronel Village	Apr-02	48	N/A
Fort Branch	Dec-00	250	69.2%
Hidden Brooks	Sep-01	201	84.6%
Jefferson at Town Lake	Dec-02	216	N/A
Las Trojas	Mar-02	49	N/A
Liberty Park Townhomes	Feb-03	184	72.3%
Lincoln Corner	Dec-01	134	N/A
Meridian at Bridgewater	Nov-99	90	81.1%
Mountain View Village	Jun-02	220	N/A
North White Road	Nov-01	157	N/A
Oak Grove Commons	Dec-01	168	N/A
Olathe Senior Residences	Dec-02	144	N/A
Osborne Place Manor	Dec-02	50	N/A
Penn Valley	Dec-01	42	N/A
Sanger Trails	Dec-02	208	N/A
Sycamore Senior Village	Jun-02	300	N/A
Village at Sun Valley	May-00	276	89.1%
Walnut Tree	Mar-02	64	N/A
		-----	
Subtotal Construction/Rehab Properties		13,769	
		-----	
Total Units		35,382	
		=====	

Apartment Community	Month/Year Acquired	Apartment Units	Month Ended February 28, 2003
-----	-----	-----	-----
Subordinate Mortgage Bonds:			
CAPREIT	Sep-99	----	N/A

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Cinnamon Ridge	Jan-99	----	N/A
Farmington Meadows	Aug-99	69	814
Independence Ridge	Aug-96	336	553
Locarno	Aug-96	110	890
Olde English Manor	Nov-99	----	N/A
Peaks of Conyer	Sep-01	260	740
Rillito Village	Jul-00	----	N/A
Winter Oaks	Nov-99	460	550
		-----	
Subtotal Subordinate Mortgage Bonds		1,235	
		-----	
Other Bond Related Investments:			
Briarwood	Dec-98	600	630
Cinnamon Ridge	Dec-97	264	937
Golfside Villas (f.k.a. Club West)	Mar-99	194	617
Park at Landmark	Sep-00	396	1,090
Poplar Glen	Jun-97	191	976
RITES - Charter House	Dec-96	280	625
RITES - Indian Lakes	Jul-97	296	786
RITES - LaPaloma	Apr-99	120	670
RITES - LeMirador (Coleman Senior)	Apr-98	141	834
RITES - Museum Towers	Apr-01	286	1,363
RITES - Olde English Manor	Jun-98	264	492
RITES - Palisades Park	Feb-98	304	553
RITES - Pavillion	Apr-99	132	666
RITES - Queen Anne IV	Jul-98	110	1,115
RITES - Rancho/Villas	May-00	417	547
RITES - Rillito Village	Aug-98	272	460
RITES - Riverset (1)	Aug-88	352	694
RITES - Riverset II (1)	Jan-96	----	N/A
RITES - Sienna (a.k.a. Italian Gardens)	Apr-98	140	810
RITES - Sonterra	May-98	156	863
RITES - Southgate Crossings	Jun-97	215	987
RITES - Southwood	Nov-97	1,286	494
		-----	
Subtotal Other Bond Related Investments		6,416	
		-----	
Total Units/Weighted Average Investments		21,613	689
		=====	
Total/Same Stores (5) 2000		21,025	688
Total/Same Stores (5) 2001		21,613	689
Construction/Substantial Rehab Properties and Other Investments			
Arlington	Dec-00	176	1,388
Autumn Oaks/Crest at Thousand Oaks	Feb-03	410	N/A
Barrington at Beach Street	Oct-00	398	804
Bedford Park	Oct-00	312	533
CAPREIT Joint Venture (6)	Jun-02	6,279	N/A
CAPREIT TERA (7)	Mar-01	2,942	N/A
Chancellor	Nov-01	101	N/A
Chancellor II	Mar-02	46	N/A
City Views at Rosa Burney Park	Dec-02	180	N/A
Cool Springs	Aug-00	124	1,919
Coronel Village	Apr-02	48	N/A
Fort Branch	Dec-00	250	737
Hidden Brooks	Sep-01	201	1,034
Jefferson at Town Lake	Dec-02	216	N/A
Las Trojas	Mar-02	49	N/A
Liberty Park Townhomes	Feb-03	184	358
Lincoln Corner	Dec-01	134	N/A
Meridian at Bridgewater	Nov-99	90	N/A

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Mountain View Village	Jun-02	220	N/A
North White Road	Nov-01	157	N/A
Oak Grove Commons	Dec-01	168	N/A
Olathe Senior Residences	Dec-02	144	N/A
Osborne Place Manor	Dec-02	50	N/A
Penn Valley	Dec-01	42	N/A
Sanger Trails	Dec-02	208	N/A
Sycamore Senior Village	Jun-02	300	N/A
Village at Sun Valley	May-00	276	675
Walnut Tree	Mar-02	64	N/A
		-----	
Subtotal Construction/Rehab Properties		13,769	
		-----	
Total Units		35,382	
		=====	

- (1) The Company owns a participating bond, a participating subordinate bond and a RITES interest collateralized by the Riverset property.
- (2) The Company owns a non-participating bond and a RITES interest collateralized by the Charter House property.
- (3) The Dade Gannon Portfolio represents five properties.
- (4) The Oklahoma City Portfolio represents three properties.
- (5) Same Store includes only properties reporting for all three quarters.
- (6) CAPREIT Joint Venture represents twenty properties (not included previously in CAPREIT Portfolio).
- (7) The CAPREIT TERA Portfolio represents eleven properties.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned hereto duly authorized.

MUNICIPAL MORTGAGE & EQUITY, LLC

BY: /S/ William S. Harrison

-----  
 Name: William S. Harrison  
 Title: Senior Vice President and  
 Chief Financial Officer

DATE: April 22, 2003

Exhibit 99.2

PRESS RELEASE  
 FOR IMMEDIATE RELEASE  
 -----

Contact: Angela Richardson  
 Investor Relations  
 (888) 788-3863

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### ----- 25th Consecutive Increase in Dividend to Common Shares

BALTIMORE, MD, April 22, 2003 -- Municipal Mortgage & Equity, LLC (NYSE: MMA) today reported net income allocated to common shares of \$13.9 million for the quarter ended March 31, 2003, a decrease of 7% as compared to the same period in 2002. Diluted earnings per share were \$0.50 for the quarter, compared to \$0.62 for the same period in 2002.

Cash Available for Distribution ("CAD"), the primary measure of the Company's dividend paying ability, increased 16% for the quarter ended March 31, 2003 compared to the same period in 2002. CAD per common share increased 6% compared to the same period in 2002. The Board of Directors raised the quarterly dividend to common shares to \$0.4450, an increase of 2% over the same period in 2002.

MuniMae Chairman and CEO Mark K. Joseph, commenting on the results, stated, "The first quarter of every year has typically been the most difficult for us because the funding and development approvals our clients need are concentrated in the second half of the year. Given this, we are quite pleased to have increased our CAD per share 6% while raising MuniMae's dividend for the 25th consecutive quarter."

#### Summary Results - GAAP

-----

The table below summarizes the Company's results for the first quarter of 2003 and the prior-year period:

	First Quarter		
	2003	2002	Change
	-----	-----	-----
Net Income (\$ millions)	\$13.9	\$15.0	-7%
Net Income Allocated to Common Shares (\$ millions)	\$13.9	\$14.9	-7%
Basic Earnings/Common Share (\$)	\$0.51	\$0.63	-19%
Diluted Earnings/Common Share (\$)	\$0.50	\$0.62	-19%

The attached condensed consolidated statements of income represent the GAAP results of operations of the Company for the three-month periods ended March 31, 2003 and 2002.

#### Summary Results - CAD

-----

For the first quarter of 2003, CAD was \$17.4 million and CAD to common shares was \$14.4 million. The 2003 first quarter per share distribution to common shareholders of \$0.4450 represents a payout ratio of 89%. (The Company uses CAD as the primary measure of its current earnings and, consequently, its distribution-paying ability. CAD differs from net income because of variations between GAAP income and actual cash received. These variations are described in the note to the attached calculation of CAD statement.)

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	First Quarter		
	2003	2002	Change
Total CAD (\$ millions)	\$17.4	\$15.0	16%
CAD to Common (\$ millions)	14.4	11.8	22%
CAD per Common Share (\$)	0.50	0.47	6%

A reconciliation of GAAP net income allocated to common shares to CAD to common shares is attached.

### First Quarter Distribution

MuniMae's first quarter distribution to common shareholders of \$0.4450 annualizes to \$1.78 per share. Based on yesterday's closing share price of \$24.63, MuniMae common shares have an annualized yield to shareholders of 7.2%. Assuming the Company's income during the year is 85% exempt from Federal income tax, and assuming a 38.6% tax bracket, the taxable equivalent yield, absent the impact of capital gains, would be 11.1%.

### About the Company

MuniMae and its subsidiaries originate, service and asset manage investments in multifamily debt and equity for its own account and on behalf of others. Assets under management total \$3.6 billion secured by 910 properties and 97,624 units in 48 states and the U.S. Virgin Islands. For its proprietary accounts, MuniMae primarily holds tax-exempt multifamily housing bonds. This on-balance sheet portfolio of tax-exempt bonds is secured by 145 properties containing 35,382 units in 27 states. For a portion of bonds, MuniMae participates in the performance of the underlying properties.

MuniMae is organized as a limited liability company. This structure allows MuniMae to combine the limited liability, governance and management characteristics of a corporation with the pass-through income features of a partnership. As a result, the tax-exempt income derived from certain investments remains tax-exempt when passed through to shareholders. Distributions to shareholders are declared quarterly and paid in February, May, August and November.

The calculation of Cash Available for Distribution is the basis for the determination of the Company's quarterly distributions to common shares, is used by securities analysts, and is presented as a supplemental measure of the Company's performance. The calculation is not approved by the Securities and Exchange Commission nor is it required by GAAP and should not be considered as an alternative to net income as an indicator of the Company's operating performance or as an alternative to cash flows as a measure of liquidity. The Company believes that Cash Available for Distribution provides relevant information about its operations and is necessary, along with net income, for understanding its operating results.

This press release contains statements which are forward looking in nature and reflect management's current views with respect to future events and financial performance. These statements are subject to many uncertainties and risks and should not be considered guarantees of future performance. Actual results may vary materially from projected results based on a number of factors, including

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the actual performance of the properties pledged as collateral for the portfolio, general conditions in the local real estate markets in which the properties are located and prevailing interest rates.

MUNIMAE: TAX-EXEMPT DIVIDENDS AND GROWTH THROUGH REAL ESTATE

www.munimaemidland.com

MUNICIPAL MORTGAGE & EQUITY, LLC  
CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
(In thousands, except share and per share data)  
(unaudited)

	For the three March
	2003
<b>INCOME:</b>	
Interest income	
Interest on bonds and residual interests in bond securitizations	\$ 15,985
Interest on loans	9,503
Interest on short-term investments	192
Total interest income	25,680
Fee income	
Syndication fees	1,411
Origination fees	698
Loan servicing fees	1,909
Asset management and advisory fees	1,076
Other income	2,197
Total fee income	7,291
Net gain on sales	1,278
Total income	34,249
<b>EXPENSES:</b>	
Interest expense	10,368
Salaries and benefits	5,966
General and administrative	1,656
Professional fees	989
Amortization of mortgage servicing rights and other intangibles	389
Total expenses	19,368
Net holding gains on derivatives	2,873
Impairments and valuation allowances related to investments	-
Net losses from equity investments in partnerships	(747)

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Income tax expense		(68)
Income allocable to preferred shareholders in a subsidiary company		(2,994)
		-----
Net income	\$	13,945
		=====
LESS:		
Net income allocable to term growth shares		-
		-----
Net income allocated to common shares	\$	13,945
		=====
EARNINGS PER COMMON SHARE:		
Basic earnings per common share:		
Basic earnings per common share	\$	0.51
		=====
Weighted average common shares outstanding		27,342,870
Diluted earnings per share:		
Diluted earnings per common share	\$	0.50
		=====
Weighted average common shares outstanding		27,681,511

MUNICIPAL MORTGAGE & EQUITY, LLC  
RECONCILIATION OF GAAP NET INCOME TO CASH AVAILABLE FOR DISTRIBUTION  
(In thousands)  
(unaudited)

	Qtr Ended 03/31/03	Qtr Ended 03/31/02
	-----	-----
INCOME:		
Interest income		
Interest on bonds and residual interests in bond securitizations	\$ 15,985	\$ 15,162
Interest on loans	9,503	8,430
Interest on short-term investments	192	487
		-----
Total interest income	25,680	24,079
		-----
Fee income		
Syndication fees	1,411	1,618
Origination fees	698	1,089
Loan servicing fees	1,909	1,908
Asset management and advisory fees	1,076	867
Other income	2,197	1,145
		-----
Total fee income	7,291	6,627
		-----
Net gain on sales	1,278	2,166
		-----
Total income	34,249	32,872
		-----
EXPENSES:		
Interest expense	10,368	8,972
Salaries and benefits	5,966	4,827



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General and administrative	1,656	1,726
Professional fees	989	637
Amortization of mortgage servicing rights and other intangibles	389	318
	-----	-----
Total expenses	19,368	16,480
	-----	-----
Net holding gains on derivatives	2,873	3,112
Impairments and valuation allowances related to investments	-	(110)
Net losses from equity investments in partnerships	(747)	(323)
Income tax expense	(68)	(1,031)
Income allocable to preferred shareholders in a subsidiary company	(2,994)	(2,994)
	-----	-----
Net income	\$ 13,945	\$ 15,046
	=====	=====
LESS:		
Net income allocable to term growth shares	-	153
	-----	-----
Net income allocated to common shares - GAAP Basis	\$ 13,945	\$ 14,893
	=====	=====
Conversion to Cash Available for Distribution:		
(1)Mark to market adjustments	\$ (2,873)	\$ (3,112)
(2)Equity investments	2,409	440
(3)Net gain on sales	(327)	(2,126)
(3)Amortization of capitalized mortgage servicing fees	352	318
(4)Origination fees and other income, net	282	673
(5)Valuation allowances and other-than-temporary impairments	-	110
(6)Deferred tax expense	628	617
	-----	-----
Cash Available for Distribution (CAD)	\$ 14,416	\$ 11,813
	=====	=====

### Notes

-----

(1) For GAAP reporting, the Company records the non-cash change in fair value of its investment in interest rate swaps and other derivative financial instruments through net income. These non-cash gains and losses are not included in the Company's calculation of CAD.

(2) For GAAP reporting, the Company accounts for various investments in partnerships using the equity accounting method. As a result, the Company's allocable share of the income or loss from the partnerships is reported in income (losses) from equity investments in partnerships. The income from these partnerships includes depreciation expense and changes in the fair value of investments in derivatives. For GAAP reporting, distributions are treated as a return of capital. For CAD reporting, the Company records the cash distributions it receives from the partnerships as other income.

(3) For GAAP reporting, the Company recognizes non-cash gains and losses associated with the sale of assets or capitalization of mortgage servicing rights. The capitalized mortgage servicing rights are amortized into expense over the estimated life of the serviced loans. The non-cash gains and the associated amortization expense are not included in CAD.

(4) Origination fees and certain other income amounts are recognized as income when received for CAD purposes, but for GAAP reporting these items are deferred and amortized into income over the life of the associated investment. This adjustment represents the net difference, for the relevant period, between fees taken into income when received for CAD and the amortization of fees recorded for GAAP.

(5) For GAAP reporting, the Company records valuation allowances and other-than-temporary impairments on its investments in loans, bonds and other

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bond-related investments. Such non-cash charges do not affect the cash flow generated from the operation of the underlying properties, distributions to shareholders, or the tax-exempt status of the income of the financial obligation under the bonds. Therefore, these items are not included in the calculation of CAD.

(6) For GAAP reporting, the Company's income tax expense contains both a current and a deferred component. Only the Company's current income tax expense is reflected in CAD.

MUNICIPAL MORTGAGE & EQUITY, LLC  
 CALCULATION OF CASH AVAILABLE FOR DISTRIBUTION  
 (In thousands, except share and per share data)  
 (unaudited)

		For the t Ma
		-----
		2003
		-----
SOURCES OF CASH:		
Interest on bonds, residual interests in bond securitizations and loans	\$	24,848
Interest on short-term investments		192
Loan servicing fees		1,909
Origination and syndication fees		2,571
Other income		4,998
Net gain on sales		951
		-----
TOTAL SOURCES OF CASH		35,469
		-----
EXPENSES:		
Interest expense		9,839
Salaries and benefits		5,966
Professional fees		989
General and administrative		1,825
Income taxes		(560)
		-----
TOTAL EXPENSES		18,059
		-----
CASH AVAILABLE FOR DISTRIBUTION		17,410
		-----
LESS:		
Cash allocable to preferred shareholders in a subsidiary company and term growth shares		2,994
		-----
CASH AVAILABLE FOR DISTRIBUTION TO COMMON SHARES	\$	14,416
		=====
CAD PER COMMON SHARE	\$	0.50
		=====
CALCULATION OF CASH DISTRIBUTION:		
CASH AVAILABLE FOR DISTRIBUTION		

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TO COMMON SHARES	\$	14,416
ACTUAL AMOUNT PAID	\$	12,837
PAYOUT RATIO		89.0
COMMON SHARES OUTSTANDING		28,846,327
CASH DISTRIBUTION PER COMMON SHARE	\$	0.4450

CAD differs from net income because of variations between GAAP income and actual cash received. There are three primary differences between CAD and GAAP income. The first is the treatment of loan origination fees, which for CAD purposes are recognized as income when received but for GAAP purposes are amortized into income over the life of the associated investment. The second difference is the non-cash gain and loss recognized for GAAP associated with valuations, sales of investments and capitalization of mortgage servicing rights, which are not included in the calculation of CAD. The third difference is the treatment of the Company's investments in partnerships. For GAAP, the Company records its allocable share of the income (loss) from the partnership as income, while for CAD reporting, the Company records the cash distributions it receives from the partnership as income.

CAD per common share is calculated based on the number of shares outstanding at the end of each quarter. For GAAP, basic net income per share is calculated based on the weighted average shares outstanding during the period. The weighted average shares outstanding for diluted net income per share include the potential dilutive effect from the exercise of options, vesting of restricted shares, and provision for shares to be awarded under the Midland acquisition earn out provision.

### MUNICIPAL MORTGAGE & EQUITY, LLC CONDENSED CONSOLIDATED BALANCE SHEETS (In thousands)

	(unaudited)	
	March 31,	Decem
	2003	2
ASSETS:		
Investment in tax-exempt bonds and residual interests in bond securitizations	\$ 812,287	\$
Loans receivable, net	440,112	
Investments in partnerships	98,756	
Investment in derivative financial instruments	18,404	
Cash, cash equivalents and interest receivable	65,986	
Other assets	84,805	
Goodwill	33,589	
TOTAL	\$ 1,553,939	\$ 1,

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### LIABILITIES AND EQUITY:

Notes payable	\$	381,073	\$
Short-term debt		219,590	
Long-term debt		146,987	
Residual interests in bond securitizations		1,438	
Investment in derivative financial instruments		46,128	
Current liabilities		31,052	
Preferred shareholders' equity in a subsidiary company		160,465	
Shareholders' equity		567,206	
		-----	-----
TOTAL	\$	1,553,939	\$ 1,
		=====	=====

### EXHIBIT 99.3

PRESS RELEASE  
FOR IMMEDIATE RELEASE  
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Contact: Angela Richardson  
Investor Relations  
(888) 788-3863

### MuniMae Structures \$154 Million of Multifamily Financing And Raises \$107 Million in Capital During First Quarter

BALTIMORE, MD, April 22, 2003 -- Municipal Mortgage & Equity, LLC (NYSE: MMA), announced today that it structured \$154 million of financing for multifamily housing during the first quarter of 2003. In addition, the Company raised \$35 million in tax credit equity and, as previously announced, \$72 million in common equity.

Mark K. Joseph, Chairman of the Board and CEO of MuniMae commented, "The equity markets continue to be supportive of our business. We are appreciative that so many parties have entrusted their equity funds with MuniMae. Our \$154 million of origination volume gives us a good start for 2003."

Mr. Joseph added, "As in past years, we expect production to be back-end loaded with our output ramping up over the next three quarters to meet our 2003 goal of \$1.5 billion. This follows the affordable housing development cycle where tax credits, state loans and tax-exempt bonds are usually awarded mid to late in the year. As these allocations are awarded to our clients over the course of the year, MuniMae will be there to serve their debt and equity needs."

### Investment Activity Summary -----

Highlights of first quarter 2003 origination activity include:

		First Quarter Volume (in millions)
		-----
Taxable Construction/Permanent Lending	\$	75.8
Tax-exempt Bonds Construction/Permanent		32.1
Supplemental Loans		16.8
Equity Investments		29.1
		-----
Total		\$153.8

=====

Capital Raising Activity Summary

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In the first quarter of 2003, the Company participated in two capital raising transactions. First, a common equity offering raised net proceeds of \$72 million, including the underwriters' over-allotment option, for future investment opportunities. Second, the Company raised \$35 million of tax credit equity, representing a 9% increase over the same period in 2002, from four third-party investors.

About the Company

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MuniMae and its subsidiaries originate, service and asset manage investments in multifamily debt and equity for its own account and on behalf of others. Assets under management total \$3.6 billion secured by 910 properties and 97,624 units in 48 states and the US Virgin Islands. For its proprietary accounts, MuniMae primarily holds tax-exempt multifamily housing bonds. This on-balance sheet portfolio of tax-exempt bonds is secured by 145 properties containing 35,382 units in 27 states. MuniMae participates, for a portion of the bonds, in the performance of the underlying properties.

MuniMae is organized as a limited liability company, which makes it exempt from tax at the corporate level and provides the benefit of corporate governance. In addition, the Company passes through to its shareholders primarily tax-exempt dividends, which are generated by its municipal bond investments. Dividends to shareholders are declared quarterly and paid in February, May, August and November.

This press release contains statements which are forward looking in nature and reflect management's current views with respect to future events and financial performance. These statements are subject to many uncertainties and risks and should not be considered guarantees of future performance. Actual results may vary materially from projected results based on a number of factors, including the actual performance of the properties pledged as collateral for the portfolio, general conditions in the local real estate markets in which the properties are located and prevailing interest rates.

MUNIMAE: TAX-EXEMPT DIVIDENDS AND GROWTH THROUGH REAL ESTATE

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