MMA CAPITAL MANAGEMENT, LLC
Form 10-K
March 15, 2016
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from __________________ to __________________

Commission File Number 001-11981

MMA CAPITAL MANAGEMENT, LLC
(Exact name of registrant as specified in its charter)

Delaware	52-1449733
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3600 O'Donnell Street, Suite 600	
Baltimore, Maryland	(443) 263-2900
(Address of principal executive offices)	(Registrant's telephone number, including area code)
21224	
(Zip Code)	

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares, no par value	Nasdaq Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files) Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company

Note: The registrant became an accelerated filer on December 31, 2015, but remains eligible to use the scaled disclosure standards available to smaller reporting companies in this filing pursuant to Item 10(f)(2)(i) of Regulation S-K.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of our common shares held by non-affiliates was $80,828,999 based on the last sale price as reported in the over the counter market on June 30, 2015.

There were 6,411,436 shares of common shares outstanding at March 3, 2016.

Portions of the registrant's Proxy Statement to be filed on or about April 7, 2016 have been incorporated by reference into Part III of this report.

MMA Capital Management, LLC
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Cautionary Statement Regarding Forward Looking Statements

This 2015 Annual Report on Form 10-K (this "Report") contains forward-looking statements intended to qualify for the safe harbor contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements often include words such as "may," "will," "should," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "seek," "would," "could," ar expressions and are made in connection with discussions of future operating or financial performance.

Forward-looking statements reflect our management's expectations at the date of this Report regarding future conditions, events or results. They are not guarantees of future performance. By their nature, forward-looking statements are subject to risks and uncertainties. Our actual results and financial condition may differ materially from what is anticipated in the forward-looking statements. There are many factors that could cause actual conditions, events or results to differ from those anticipated by the forward-looking statements contained in this Report. They include the factors discussed in Item 1A. Risk Factors.

Readers are cautioned not to place undue reliance on forward-looking statements in this Report or that we make from time to time, and to consider carefully the factors discussed in Item 1A. Risk Factors in evaluating these forward-looking statements. We have not undertaken to update any forward-looking statements.

PART I

Item 1. BUSINESS

MMA Capital Management, LLC, the registrant, was organized in 1996 as a Delaware limited liability company. Unless the context otherwise requires, when used in this report, the "Company," "MMA," "we," "our" or "us" refers to MMA Capital Management, LLC and its subsidiaries.

Unless otherwise noted, the description below is of our business as it exists on the date of this Report.

Organization

The Company partners with institutional capital to create and manage investments in affordable housing and renewable energy. Beginning in 2015, the Company operated through three reportable segments – United States ("U.S.") Operations, International Operations and Corporate Operations.

U.S. Operations

Our U.S. Operations segment consists of three business lines: Leveraged Bonds, Low-Income Housing Tax Credits ("LIHTC") and Energy Capital and Other Investments (previously referred to as "Other Investments and Obligations" in the Company's 2015 Quarterly Reports on Form 10-Q).

In our Leveraged Bonds business line, we primarily own and manage bonds that finance affordable housing and infrastructure in the U.S. Within this business line, we manage the vast majority of the Company's bonds and associated financings. The bond portfolio is comprised primarily of multifamily tax-exempt bonds, but also includes other real estate related bond investments.

In our LIHTC business line, we primarily own and manage limited partner ("LP") and general partner ("GP") investments in affordable housing communities in the U.S. We provide asset management and administrative services to a limited liability company formed by the Company and a commercial bank (our "LIHTC Partnership"), and have provided a limited guarantee of the expected tax credits to be generated by the LIHTC Partnership's portfolio of investments. As part of this business line, we have made other guarantees to third parties related to the receipt of tax credits and the performance of the underlying assets and we have loan receivables from, and an option to purchase, a tax credit asset manager.

In our Energy Capital and Other Investments business line, we primarily provide project capital necessary to develop and build renewable energy systems through a joint venture that we have with an alternative asset manager (our "Solar Joint Venture") and that provides custom solar financing solutions offered by MMA Energy Capital. These financing solutions include debt investments to be used as late stage development capital to bring projects through the development phase and into construction, as well as capital to construct these projects and place them in operation. Within this business line, we also manage our solar and non-solar legacy assets.

International Operations

We manage our International Operations segment through a wholly owned subsidiary, International Housing Solutions S.à r.l. ("IHS"). IHS's strategy is to raise, invest in and manage private real estate funds that invest in residential real estate. IHS currently manages three funds: the South Africa Workforce Housing Fund ("SAWHF"), which is a multi-investor fund and is fully invested; IHS Residential Partners I, which is a single-investor fund targeted at the emerging middle class in South Africa; and IHS Fund II, which is a multi-investor fund targeting investments in affordable housing, including green housing projects, within South Africa and Sub-Saharan Africa. During the second quarter of 2015, IHS and a South African property management company formed a company in South Africa, IHS Property Management Proprietary Limited ("IHS PM"), to provide property management services to the properties of IHS-managed funds. IHS owns 60% of IHS PM and the third party property manager owns the remaining 40%.

Corporate Operations

Our Corporate Operations segment is responsible for accounting, reporting, compliance and planning, which are fundamental to our success as a global fund manager and publicly traded company in the U.S.

Competition

Within our U.S. Operations, we face competition from various financial institutions, including banks, government-sponsored enterprises, mutual funds and asset management companies, related to the debt and equity that we manage or invest in real estate related assets. We also face competition from banks and other solar lenders related to our business that provides project capital necessary to develop and build renewable energy systems.

In our International Operations, our primary activity is making workforce housing investments in South Africa for the funds and ventures we invest in and manage. We compete against other investors, developers and companies that also acquire, develop and manage similar housing investments. We also compete against other asset managers in raising capital and making investments.

Employees

At December 31, 2015, we had 55 employees, which included 25 employees in our U.S. and Corporate Operations and 30 employees in our International Operations (the latter headcount excludes employees of IHS PM). None of these employees are party to any collective bargaining agreements.

Other

This Report contains and omits certain disclosures in accordance with the scaled disclosure standards applicable to "smaller reporting companies." Because the market value of our common shares held by non-affiliates on June 30, 2015 exceeded $75 million, we were considered to be an "accelerated filer" as of December 31, 2015. As a consequence of this designation, we are required to follow the accelerated filer deadline for this Report and we will be required to cease relying on the scaled disclosure standards for smaller reporting companies beginning with our Quarterly Report on Form 10-Q for the period ending March 31, 2016.

Our principal office is located at 3600 O'Donnell Street, Suite 600, Baltimore, MD 21224. Our telephone number at this office is (443) 263-2900. Our corporate website is located at www.mmacapitalmanagement.com, and our filings under the Exchange Act are available through that site, as well as on the U.S. Securities and Exchange Commission ("SEC") website at www.sec.gov. The information contained on our corporate website is not a part of this Report.

Item 1A. RISK FACTORS

Investing in our securities involves various risks and uncertainties. The risks described in this section are among those that could, directly or indirectly, have a material adverse effect on our business, financial condition or results of operations, as well as on the value of our common shares.

Risks Related to Our Business

Increases in interest rates and credit spreads may adversely affect the fair value of our financial assets, our results of operations and our net worth.

Our bonds and other financial assets as reported on our Consolidated Balance Sheets expose us to changes in interest rates and credit spreads.

Interest rates can fluctuate for a number of reasons, including changes in the fiscal and monetary policies of the federal government and its agencies. Federal Reserve policies directly and indirectly influence the yield on our interest-earning assets. Interest rates can also fluctuate as a result of geopolitical events or changes in general economic conditions, including events or conditions that alter investor demand for Treasury or other fixed-income securities.

Changes in market conditions, including changes in interest rates, liquidity, prepayment and/or default expectations, and the level of uncertainty in the market for a particular asset class, may cause fluctuations in credit spreads.

Our financial results and net worth can be significantly affected by changes in interest rates and credit spreads, especially results driven by financial instruments that are measured at fair value. These instruments include our investments in bonds, loans held-for-sale and loans for which we elected the fair value option.

If long-term rates increase or credit spreads widen, the fair value of our bonds and other financial assets will generally decline and these declines could be significant. Because most of our bonds are secured by multifamily rental properties, increasing interest rates that lead to higher mortgage rates may make it more difficult for buyers of multifamily properties to obtain mortgage financing and, as a result, may depress prices that buyers are willing to pay for such properties. Accordingly, changes in interest rates and credit spreads may adversely affect the fair value of collateral that secures our bonds.

The Company uses total return swaps ("TRS") for financing and other purposes that expose us to certain risks.

A TRS is an agreement that requires one party to make interest payments based on either fixed or floating rate of interest in exchange for payments from its counterparty that are based on the return of referenced asset that is typically an index, a loan or a bond. All payments under these agreements are calculated based upon contractually-specified notional amounts. In our typical TRSs, we are required to make interest payments that are based on a floating rate and our counterparty is required to make payments to us that reflect the total return associated with a referenced asset. Cash flows associated with such agreements are subject to the risks associated with the referenced asset (in most cases real estate related risks) and to credit risk of both the obligor on the referenced asset and the counterparty on our TRSs. As a result, to the extent the associated referenced assets lose value, we are at risk of having to provide additional collateral. If we were unable to post such additional collateral, the referenced asset might be sold at a time when its full value could not be achieved and our existing collateral would be at risk.

Changes in interest rates may increase our borrowing costs and decrease our cash flows and net income.

As short-term rates rise, our borrowing costs will increase and our net income will decline as our bond and other lending income is fixed and a significant portion of our debt is variable and tied to short-term rates. At December 31, 2015, we had $177.7 million notional amount of bond related TRSs (accounted for as either debt or derivatives) tied to the Securities Industry and Financial Markets Association ("SIFMA") 7-day municipal swap index and $23.5 million notional amount of loan related TRSs (accounted for as derivatives) tied to the London Interbank Offer Rate ("LIBOR") 1-month index plus a spread. We also had $95.4 million (unpaid principal balance ("UPB")) of subordinated debt at December 31, 2015 tied to the LIBOR 3-month index plus a spread.

Changes in capitalization rates and interest rates may adversely affect the value of our real estate-related investments.

The carrying value of our real estate is at fair value when initially recorded and is then evaluated for impairment or carried at the lower of cost or fair value depending on its balance sheet classification. The fair value of both our direct real estate holdings and real estate that collateralizes our bond investments will generally decline if capitalization and discount rates rise. Furthermore, the value of our real estate-related interests in our LIHTC business line is dependent on the residual value of multifamily rental properties. The residual value of these rental properties will generally decline if capitalization and discount rates rise in the markets where these properties are located. These rates vary from market to market and our real estate in some markets could be more affected than our real estate in other markets.

The cash flows and value from our bond portfolio and all other real estate-related interests that we have are dependent upon the quality of the related real estate collateral and can be impacted by the risks related to real estate.

Because a substantial portion of our assets are secured by real estate, or consist of real estate or investments in entities that own real estate, the value of our assets is subject to the risks associated with investments in real estate. Most of these investments are directly or indirectly secured by multifamily rental properties, and therefore the value of these investments may be adversely affected by macroeconomic conditions or other factors that adversely affect the real estate market generally, or the market for multifamily real estate and bonds secured by these properties in particular. These possible negative factors include, among others: (i) increasing levels of unemployment and other adverse economic conditions, regionally or nationally; (ii) decreased occupancy and rent levels due to supply and demand imbalances; (iii) changes in interest rates that affect the cost of our capital, the value of our bonds or the value of the real estate we own or have an interest in or that secures the bonds; and (iv) lack of or reduced availability of mortgage financing.

Most of our investments derive their value from the cash flows generated by tenant leases. The majority of the properties which we have financed or have invested in have rent limitations that could adversely affect the ability to increase rents, as well as tenant income restrictions that may reduce the number of eligible tenants and, thus, occupancy rates at such properties. If, because of general economic conditions, local market conditions or property specific conditions, the tenants move out or cannot pay the rents charged on the specific units they lease, the owners (our borrowers and partners) may not be able to lease the units to replacement tenants at full rent (or at all), in which case the cash flows from the properties may not be sufficient to pay interest on our bonds or loans, which would cause the value of our investments to decline. Real estate may also decline in value because of market conditions, environmental problems, casualty losses for which insurance proceeds are not sufficient to cover the loss, or condemnation proceedings.

The value of our assets and our ability to conduct business may be adversely affected by changes in local or national laws or regulatory conditions that affect significant segments of the real estate market, especially the multifamily housing market, including environmental, land use and other laws and regulations that affect the cost of maintaining and operating the properties in which we have an interest.

We may from time to time enter into agreements to reduce our interest rate exposure, but such arrangements themselves have risk.

We may from time to time enter into contracts intended to reduce our interest rate risk. For example, we may enter into interest rate swaps whereby we agree to pay a fixed rate of interest and the counterparty agrees to pay us a floating rate of interest in order to create fixed rate debt to better match assets that pay on a fixed rate basis. We also may enter into interest rate caps whereby we pay the counterparty on the interest rate cap a premium upfront and the counterparty pays us if the benchmark rate on the cap reaches a certain level. Interest rate swaps and caps have the risk that the counterparty fails to meet its payment obligations. There is also a risk that these contracts do not perform as expected and may cost more than the benefits received. In the case of interest rate swaps, we also have the risk of collateral calls depending on changes in interest rates as compared to the benchmark rate on the interest rate contract.

We need to make new investments that grow shareholder value over the long term.

There is a risk that we will not be able to deploy our cash and or expand our leverage to make investments that generate risk-adjusted returns that sufficiently grow shareholder value. Also, because there are no restrictions as to the nature of our investments, our investments in the future may result in additional or new risks that we do not face today.

We face risks associated with our renewable energy finance business.

Our renewable energy finance business makes development and construction loans for the purpose of building commercial scale solar facilities. This business is subject to construction risk, permanent financing and repayment risk, collateral risks (such as value and ability to foreclose), and the risk of a change in certain current laws that incentivize construction of clean energy facilities. In this regard, our ability to fund our development or construction loan commitments is currently and may become increasingly dependent upon the repayment of other, similar loans that we originated. Repayment of such loans are often dependent upon permanent loans whose funding are outside of our control since, among other factors, lenders of permanent loans may be subject to having access to the credit markets. Although we have previously had some experience in this business, we cannot be certain we have identified and adequately prepared for all of the risks associated with re-entering the business at this time.

We have been, and may continue to be, directly and indirectly affected by disruptions in credit markets.

Our business was significantly affected by the disruptions in the credit markets during the global financial crisis. Disruptions in credit markets may cause significant deterioration in the market for tax-exempt mortgage revenue bonds and other debt instruments that are a major part of our assets and likely to play a significant role in our reinvestment strategy. This has in the past and may in the future result in our having to reduce the carrying value of our bonds and other receivables associated with our lending activities. We are also dependent upon our capital partners to extend existing credit facilities upon their maturity. If we were unsuccessful in renewing existing facilities, we may be forced to create liquidity in an unfavorable market which could have a material adverse effect on our business.

Virtually all of our non-cash assets are illiquid and may be difficult to sell at their reported carrying values.

Our bonds, our direct and indirect investments in real estate, and our other debt investments are illiquid and difficult to value. As to our bonds in particular, they are unenhanced and unrated and, as a consequence, the purchasers of our bonds are generally limited to accredited investors and qualified institutional buyers, which results in a limited trading market. This lack of liquidity complicates our ability to ascertain the fair value of our bonds and other debt investments as there is limited information on trades of comparable bonds and debt investments. Therefore, there is a risk that if we need to sell any of these assets, the price that we are able to realize may be lower than the carrying value.

Some of our bonds are 30 or more days past due in principal and/or interest and others are at risk of becoming 30 or more days past due in principal and/or interest.

As of December 31, 2015, the aggregate UPB of bonds that were 30 or more days past due in either principal and/or interest was $50.8 million, or approximately 16% of all bonds in which we have an economic interest. We report our defaulted bonds at their fair value, which considers an issuer default. However, amounts realized by us could be even less than such estimates if foreclosures were pursued or if our borrowers filed for bankruptcy protection. Additionally, properties collateralizing certain performing bonds have net operating income (as represented in operating statements provided by the borrowing partnerships), which is less than the debt service owed to us. These bonds are at risk of default if the partners of the borrowing partnerships are unable or unwilling to continue to cover the shortfall in order to pay the full debt service.

The value of our tax-exempt bonds and renewable energy investments could be adversely affected by changes in tax laws.

There is a risk that the government will pass legislation that could adversely affect the value of our tax-exempt bonds. The government could make changes in tax or other laws, such as affordable housing incentive programs that while not directly affecting our tax-exempt bonds, could make them less valuable to investors. For example, if the federal government were to lower marginal federal income tax rates, or phase out the tax-exempt nature of the interest income for all or higher income taxpayers, our bonds would likely decline in value. Congress could also pass laws that make competing investments more attractive than tax-exempt bonds, which would also make our bonds less valuable.

Federal and State governments have established various incentives and financial mechanisms to accelerate the adoption of renewable energy. The incentives include tax credits, tax abatements and rebates among others. These incentives help catalyze private sector investments in solar energy. Changes in government incentives could adversely affect our renewable energy investments.

Our bonds may not retain their tax-exempt status.

On the date of initial issuance of any tax-exempt bond that we hold, bond counsel or special tax counsel has rendered its opinion that interest on the bond is excludable from gross income for federal income tax purposes. However, under certain circumstances, our bonds could lose their tax-exempt status subsequent to issuance. While we take steps to ensure that these circumstances do not occur, there can be no guarantees that the tax-exempt status will be maintained. If our bonds were to lose their tax-exempt status, then the fair value of those bonds would decline, and to the extent that the bond was the referenced asset in a TRS financing, the TRS would terminate causing us to reacquire the bonds at the then fair value plus any difference required to pay-off the related financing. If we did not purchase the bonds, they could be sold and if the value at inception of such agreements were not realized, our TRS collateral would be at risk.

Executing TRSs are important to our U.S. Operations.

Currently, our TRSs are with one financial institution. At least in the near term, entering into new TRSs or rolling over existing agreements, is a significant part of our U.S. Operations. To the extent we are unable to execute these types of agreements in the future, we may not be able to achieve our near term goals and our financial position could suffer significantly.

We could lose the tax benefit of our Net Operating Losses ("NOLs").

We have significant deferred tax assets that are currently offset by a valuation allowance on our balance sheet. The most significant deferred tax asset is our federal NOL that can be used to offset federal taxable income for the foreseeable future. However, there are events that could cause us to lose or to otherwise limit the amount of NOLs available to us. For example, our NOLs could be lost if we suffer a change of control event as defined by the Internal Revenue Code. A change of control event may occur when a shareholder, or a collection of shareholders, owning at least five percent of our shares, acquire more than 50% of our outstanding shares within a three-year period. The Company adopted a Tax Benefits Rights Agreement on May 5, 2015 ("Rights Plan") in an attempt to avoid a change of control event as defined by the Internal Revenue Code, although the Company cannot guarantee the effectiveness of the Rights Plan.

In addition to limitations that a change in control have on our NOLs, our NOLs are subject to a 20-year carryforward limitation that limits the time that we have to generate the income necessary to fully utilize our NOLs. It is possible that some of the NOLs will become permanently impaired if the Company is unable to generate the income required to utilize our NOLs before their expiration period begins in 2027.

If we become subject to the Investment Company Act of 1940 (the "Investment Company Act"), we could be required to sell substantial portions of our assets at a time when we might not otherwise want to do so, and we could incur significant losses as a result.

We continuously monitor our activities to be sure we do not become subject to regulation as an investment company under the Investment Company Act. We currently rely on an exemption from the Investment Company Act for companies that are "primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." Because of changes in the nature and number of companies relying on this exemption and because most of the guidance surrounding this exemption comes from "no action" letters issued by the SEC staff, the SEC on August 31, 2011 issued a concept release requesting comment directed to the scope and use of this exemption. We do not know what action, if any, the SEC may take in response to the comments that it receives. If we were to become regulated as an investment company under the Investment Company Act, either due to a change in the SEC's interpretation of that Act or due to a significant change in the value and composition of our assets, we would be subject to extensive regulation and restrictions. Among other restrictions, we would not be able to incur borrowings, which would limit our ability to fund certain investments. Accordingly, either we would have to restructure our assets so we would not be subject to the Investment Company Act or we would have to change materially the way we do business. Either course of action could require that we sell substantial portions of our assets at a time when we might not otherwise want to do so, and we could incur significant losses as a result. Any of these consequences could have a material adverse effect on our business, financial condition and results of operations.

We have provided guarantees with respect to certain of the tax credit equity funds and properties, and if we were to become obligated to perform on those guarantees our financial condition and results of operation could suffer.

Within our LIHTC business line, we have provided a limited guarantee of the expected tax credits to be generated by limited partnership investments held by our LIHTC Partnership. We have also guaranteed minimum yields on investment to investors in guaranteed LIHTC funds in which we sold our GP interests ("Guaranteed Funds") and agreed to indemnify the purchaser of our GP interests in such funds from investor claims related to those guarantees. We have also agreed to indemnify specific investors in certain non-Guaranteed Funds related to the performance on certain lower tier property partnerships ("LTPPs"). We continue to be obligated on our guarantees to the investors (or purchasers) in these funds and we could be required to make substantial payments with regard to these guarantees. In order for the investors in the Guaranteed Funds and the LIHTC Partnership to benefit from low-income housing tax credits, the LTPPs in which these entities invest must operate affordable housing properties in compliance with a number of requirements in the Code and the regulations under it. Failure to comply continuously with these requirements throughout a 15-year recapture period could result in loss of the right to those low-income housing tax credits, including recapture of credits that were already taken, potentially creating liability under our guarantees. If we were to become obligated to perform on these guarantees our financial condition and results of operation would be negatively impacted and the impact could be significant.

Our ability to grow our business would be adversely affected if we are unable to raise capital from third-party investors.

Our growth depends, at least in part, on our ability to raise capital from third-party investors, which in turn depends on a number of factors, including certain factors that are outside our control. Additionally, we need to identify and attract new investors in order to increase the number and size of funds or other businesses that we manage or will manage. There can be no assurances that we can find or secure commitments from those new investors. The failure to raise capital in sufficient amounts could result in a decrease in management and other fee revenue or a decline in the rate of growth of such fees, any of which could adversely impact our revenues, cash flows and financial condition.

The value of our International Operations investments and cash flows could fluctuate with changes in the relative value of the dollar and South African rand (“rand”) as well as with changes in benchmark interest rates.

The net assets and operations of IHS are denominated in various currencies. In addition, our co-investments in the SAWHF and the IHS Residential Partners I are denominated in rand and the majority of our co-investment in the IHS Fund II is denominated in rand. We do not hedge these foreign currency exposures and may experience losses as the value of our holdings in IHS, SAWHF, IHS Residential Partners I and IHS Fund II fluctuates with changes in foreign exchange rates relative to the dollar. In addition, the SAWHF borrows money in U.S. dollars from the Overseas Private Investment Corporation, resulting in the SAWHF itself having dollar to rand currency risk. The SAWHF also enters into contracts in an effort to hedge the foreign currency risk associated with its dollar denominated debt. These borrowings and hedges could adversely impact the SAWHF’s results and the value of our investment. We expect IHS Fund II to have similar risks. Additionally because there are financing arrangements in place for the IHS managed funds as well as the properties in which the funds have invested, the cost associated with the financing arrangements will change as the respective benchmark interest rate changes. Furthermore, interest rates affect the availability of mortgage financing which is important for the successful disposition of the funds’ investments. These interest rate changes could adversely impact the value of our International Operations investments and cash flows.

The value of investments and cash flows of our U.S. and International Operations are dependent on the quality of the management of the underlying properties.

The performance of the properties in which the funds that we manage have invested can be adversely impacted by the quality of the property management. To the extent property managers are not able to provide quality property management, the value of our investments and the cash flows from these investments will suffer. IHS PM manages a substantial portion of the properties in funds that we manage in our International Operations, thereby giving us a significant degree of control over the quality of the management of the underlying properties.

Our International Operations are subject to foreign government risk and stability risk.

Foreign governments have different laws and policies than the U.S. government. They may change their laws and policies in ways that harm or limit our operations. Such actions may include, but are not limited to, directly competing with us and nationalizing our operations without providing us with fair compensation. They also may enact laws that make it more difficult for foreign companies to do business, thereby giving local competitors an advantage. South Africa and other countries impose exchange controls that regulate how money enters and leaves the country. These laws could be changed in ways that are adverse to us. Our ability to anticipate, control or counteract these risks is very limited.

Foreign countries have social and economic stability risks that are different than the U.S. South Africa has experienced some social unrest in the past and if that were to continue our operations and investments there could be adversely affected.

The application of international tax regimes could substantially affect our after tax results from International Operations.

Income we earn abroad is subject to an entirely different set of tax risks than income we earn domestically. We are subject to the laws of the various jurisdictions in which we earn income, or through which our income must move in order for us to receive it in the U.S. International treaties also govern these tax consequences. If any of these laws or treaties changes, it could adversely impact our projected after-tax results.

Our International Operations are subject to additional real estate risks as compared to our U.S. Operations, including laws and customs related to real estate ownership and finance.

The SAWHF, IHS Residential Partners I and IHS Fund II invest in real estate in South Africa. While many of the risks are similar to investing in U.S. real estate, there are legal and market differences that result in higher risks, which may adversely impact our operations and our results. In addition, the IHS Fund II may invest in countries outside of South Africa. We have limited experience outside of South Africa and we might face additional risks which we have not identified and which we are not sufficiently prepared to address.

Our International Operations include investments in funds that have investments in for-sale units, meaning adverse conditions in the mortgage market could affect the value of those units.

The SAWHF, IHS Residential Partners I and IHS Fund II investments include for-sale units. If buyers have difficulty obtaining mortgages or other financing, unit sales and, therefore, the value of our interests in these ventures, could be adversely affected.

We are at risk of key employee turnover.

We are vulnerable to key talent turnover and our business operations could suffer if we were unable to find suitable replacements on a timely basis. This risk is higher because our employee headcount is relatively small.

Risks Relating to Ownership of Our Shares

Our Rights Plan could depress our share price.

Under the Rights Plan, the acquisition by an investor (or group of related investors) of greater than a 4.9% stake in the Company, could result in all existing shareholders other than the new 4.9% holder having the right to acquire new shares for a nominal cost, thereby significantly diluting the ownership interest of the acquiring person. By discouraging acquisitions of greater than a 4.9% stake in the Company, the Rights Plan might limit takeover opportunities and, as a result, could depress our share price. At December 31, 2015, we have one shareholder with a greater than 4.9% (5.5%) stake in the Company.

Our Board of Directors ("Board") can issue an unlimited number of common or preferred shares, which could reduce our book value per common share and earnings per common share and the cash or other assets available for distribution per common share upon liquidation or otherwise.

Under our Operating Agreement, subject to Nasdaq Capital Market rules imposing some limitations on our ability to issue shares without shareholder approval, our Board can authorize, the issuance of an unlimited number of common shares without obtaining shareholder approval. Issuances of common shares could dilute the book value or the net income per common share or the cash per share available for distribution to common shareholders. Our Board can also authorize, without any requirement of shareholder approval other than those imposed by Nasdaq Capital Market, the issuance of an unlimited number of shares with preferences over the common shares as to dividends, distributions on liquidation and other matters, other than voting. This could reduce the book value and net earnings that would be allocable to our common shares and the cash or other assets that are available for distribution to our common shareholders either periodically or upon our liquidation.

Provisions of our Operating Agreement may discourage attempts to acquire us.

Our Operating Agreement contains at least three groups of provisions that could have the effect of discouraging people from trying to acquire control of us. Those provisions are:

· If any person or group acquires 10% or more of our shares, that person or group cannot, with a very limited exception, (1) engage in a business combination with us (including an acquisition from us of more than 10% of our assets or more than 5% of our shares) within five years after the person or group acquires the 10% or greater interest, unless our Board approved the business combination or approved the acquisition of a 10% or greater interest in us before it took place, or the business combination is approved by two-thirds of the members of our Board and holders of two-thirds of the shares that are not owned by the person or group that owns the 10% or greater interest; or (2) engage in a business combination with us until more than five years after the person or group acquires the 10% or greater interest, unless the business combination is recommended by our Board and approved by holders of 80% of our shares or of two-thirds of the shares that are not owned by the person or group that owns the 10% or greater interest.

- If any person or group makes an acquisition of our shares that causes the person or group to be able to exercise one-fifth or more but less than one-third of all voting power of our shares, one-third or more but less than a majority of all voting power of our shares, or a majority or more of all voting power of our shares, the acquired shares will lose their voting power, except to the extent approved at a meeting by the vote of two-thirds of the shares not owned by the person or group, and we will have the right to redeem, for their fair market value, any of the acquired shares for which the shareholders do not approve voting rights.
- One third of our directors are elected each year to three-year terms. That could delay the time when someone who acquires voting control of us could elect a majority of our directors.

The above provisions could deprive our shareholders of opportunities that might be attractive to many of them.

Our shares are thinly traded and, as a result, the price at which they trade may not reflect their full intrinsic value.

Although we are traded on Nasdaq Capital Market, our shares are thinly traded and we do not have analysts actively tracking and publishing opinions on the Company and our stock. Additionally, when we repurchase our shares, the number of shares outstanding is reduced, which has the effect over time of further decreasing the trading volume of our shares. Accordingly, the trading price of our shares may not reflect their full intrinsic value.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

We do not own any of the real property where we conduct our business. Our corporate headquarters is located in Baltimore, Maryland, where we occupy approximately 6,400 square feet of office space pursuant to a lease that expires in March 2024.

Our International Operations are located in Johannesburg, South Africa where we occupy approximately 8,500 square feet of office space pursuant to a lease that expires in April 2020.

Item 3. LEGAL PROCEEDINGS

We are not, nor are any of our subsidiaries, a party to any material pending litigation or other legal proceedings. Furthermore, to the best of our knowledge, we are not party to any threatened litigation or legal proceedings, which, in the opinion of management, individually or in the aggregate, would be likely to have a material adverse effect on our results of operations or financial condition.

The Company was a defendant in a purported class action lawsuit originally filed in 2008. The plaintiffs claimed to represent a class of investors in the Company's shares who allegedly were injured by misstatements in press releases and SEC filings between May 3, 2004 and January 28, 2008. The plaintiffs sought unspecified damages for themselves and the shareholders of the class they purported to represent. The class action lawsuit was brought in the U.S. District Court for the District of Maryland. The Company filed a motion to dismiss the class action, and in June 2012, the Court issued a ruling dismissing all of the counts alleging any knowing or intentional wrongdoing by the Company or its affiliates, directors and officers. The plaintiffs appealed the Court's ruling and on March 7, 2014, the U.S. Court of Appeals for the Fourth Circuit unanimously affirmed the lower Court's ruling. As a result of these rulings, the only counts remaining in the class action related to the Company's dividend reinvestment.

The parties negotiated a settlement agreement, which was submitted for approval to the U.S. District Court for the District of Maryland. On September 24, 2015, the Court approved the settlement agreement and dismissed the case on September 25, 2015. The settlement provides for a maximum of $826,820 to cover payments to the class as well as attorneys' fees for the plaintiffs' counsel. The settlement is a claims-made settlement, in which payments will be made only to those plaintiffs who submit a claim and whose claim is approved, thus the final settlement amount to the class could be less than the amount stated above.

The Company will not incur any settlement costs, as all costs will be paid directly by its insurance company. As a result, the Company released its litigation reserve of $0.5 million during the first quarter of 2015.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares currently trade on the Nasdaq Capital Market exchange, operated by Nasdaq, Inc. under the symbol "MMAC." Prior to October 9, 2014, we traded on the OTC market specifically through the OTCQB marketplace under the symbol "MMAB" and "MMABD."

The following table shows the high and low sales prices for our common shares during the years ended December 31, 2015 and 2014 as reported by the Nasdaq Capital Market through Nasdaq, Inc. and OTC Market Group through the OTCQB marketplace. All share prices have been adjusted to reflect the one-for-five reverse stock split that occurred on September 29, 2014.

	Common Shares High/Low Prices	
Fiscal Quarter	2015	2014
First..	$ 10.12-9.05	$ 7.75-5.50
Second..	12.99-9.70	9.75-7.55
Third..	13.64-11.62	9.65-8.60
Fourth..	14.50-12.21	10.08-8.20

Our Board has not declared a dividend since the fourth quarter of 2007. It is unlikely that we will pay a dividend in the foreseeable future.

On March 3, 2016, there were approximately 374 holders of record of our common shares.

Recent Sales of Unregistered Securities

None for the three months ended December 31, 2015.

Use of Proceeds from Registered Securities

None for the three months ended December 31, 2015.

Issuer Purchases of Equity Securities

The following table provides information on the Company's common share repurchases during the three months ended December 31, 2015.

(in thousands, except for per share data)	Total Number of Shares Purchased	Average Price Paid per Share	Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under Plans or Programs (1)
10/1/2015 - 10/31/2015	56	$ 12.97	56	70
11/1/2015 - 11/30/2015	25	12.73	25	45
12/1/2015 - 12/31/2015	11	13.63	11	600
	92	$ 12.98	92	

(1) On December 29, 2015, the Company announced the Board's authorization of a 2016 share repurchase program ("2016 Plan"), which permits the repurchase of up to 0.6 million shares. As of December 31, 2015, all previous authorizations had either expired or were completed, therefore only the 2016 Plan of up to 0.6 million shares remains. Between January 1, 2016 and March 3, 2016, we repurchased 104,839 shares at an average price of $14.60. The maximum price at which management is currently authorized to purchase shares is $17.43 per share. Unless amended, the plan will terminate once the Company has repurchased the total authorized number of shares or as of December 31, 2016, whichever comes first.

Item 6. SELECTED FINANCIAL DATA

Not applicable.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Organization

The Company partners with institutional capital to create and manage investments in affordable housing and renewable energy. Beginning in 2015, the Company operated through three reportable segments – U.S. Operations, International Operations and Corporate Operations.

U.S. Operations

Our U.S. Operations segment consists of three business lines: Leveraged Bonds, LIHTC and Energy Capital and Other Investments (previously referred to as "Other Investments and Obligations" in the Company's 2015 Quarterly Reports on Form 10-Q).

In our Leveraged Bonds business line, we primarily own and manage bonds that finance affordable housing and infrastructure in the U.S. Within this business line, we manage the vast majority of the Company's bonds and associated financings. The bond portfolio is comprised primarily of multifamily tax-exempt bonds, but also includes other real estate related bond investments.

In our LIHTC business line, we primarily own and manage LP and GP investments in affordable housing communities in the U.S. We provide asset management and administrative services to our LIHTC Partnership and have provided a limited guarantee of the expected tax credits to be generated by the LIHTC Partnership's portfolio of investments. As part of this business line, we have made other guarantees to third parties related to the receipt of tax credits and the performance of the underlying assets and we have loan receivables from, and an option to purchase, a tax credit asset manager.

In our Energy Capital and Other Investments business line, we primarily provide project capital necessary to develop and build renewable energy systems through our Solar Joint Venture that provides custom solar financing solutions offered by MMA Energy Capital. These financing solutions include debt investments to be used as late stage development capital to bring projects through the development phase and into construction, as well as capital to construct these projects and place them in operation. Within this business line, we also manage our solar and non-solar legacy assets.

International Operations

We manage our International Operations segment through a wholly owned subsidiary, IHS. IHS's strategy is to raise, invest in and manage private real estate funds that invest in residential real estate. IHS currently manages three funds: the SAWHF, which is a multi-investor fund and is fully invested; IHS Residential Partners I, which is a single-investor fund targeted at the emerging middle class in South Africa; and IHS Fund II, which is a multi-investor fund targeting investments in affordable housing, including green housing projects, within South Africa and Sub-Saharan Africa. During the second quarter of 2015, IHS and a South African property management company formed a company in South Africa, IHS PM, to provide property management services to the properties of IHS-managed funds. IHS owns 60% of IHS PM and the third party property manager owns the remaining 40%.

Corporate Operations

Our Corporate Operations segment is responsible for accounting, reporting, compliance and planning, which are fundamental to our success as a global fund manager and publicly traded company in the U.S.

Financial Results

Common shareholders' equity increased from $91.5 million at December 31, 2014 to $116.2 million at December 31, 2015. In this regard, the Company reported a 39.3% increase in diluted common shareholders' equity per share, which increased from $12.51 at December 31, 2014 to $17.43 at December 31, 2015. The majority of the Company's reported growth per share, or $4.37 per share, was driven by a net increase in the fair value of our bond portfolio and by net income generated during 2015 from net gains on assets, derivatives and extinguishment of liabilities. The balance of such growth, or $0.55 per share, was attributable to repurchases in 2015 of our common shares at prices below our book value per share.

Balance Sheet Summary – Table 1

The table below summarizes the change in our balance sheet at December 31, 2015 from December 31, 2014. The balance sheet below presents the assets, liabilities and equity attributable to the noncontrolling interest holders of consolidated funds and ventures ("CFVs") as separate line items. At December 31, 2015, CFVs were comprised of Guaranteed Funds and consolidated property partnerships and at December 31, 2014, CFVs were comprised of Guaranteed Funds. See Notes to Consolidated Financial Statements – Note 16, "Consolidated Funds and Ventures," for more information.

	(in thousands)	At December 31, 2015	At December 31, 2014	Change for 2015
	Assets			
1	Cash and cash equivalents	$ 21,843	$ 29,619	$ (7,776)
2	Restricted cash (without CFVs)	17,041	26,003	(8,962)
3	Bonds available for sale	218,439	222,899	(4,460)
4	Investments in partnerships (without CFVs)	82,655	28,218	54,437
5	Investment in preferred stock		31,371	(31,371)
6	Other assets (without CFVs)	39,481	64,118	(24,637)
7	Assets of CFVs (1)	219,612	266,518	(46,906)
8	Total assets	$ 599,071	$ 668,746	$ (69,675)
	Liabilities and Noncontrolling Equity			
9	Debt (without CFVs)	$ 232,212	$ 283,831	$ (51,619)
10	Accounts payable and accrued expenses	5,001	5,538	(537)
11	Other liabilities (without CFVs) (1)	19,318	10,039	9,279
12	Liabilities of CFVs	46,319	48,140	(1,821)
13	Noncontrolling equity related to CFVs (2)	180,020	230,111	(50,091)
14	Noncontrolling equity related to IHS (3)		(397)	397
15	Noncontrolling equity related to IHS PM (4)	31		31
16	Total liabilities and noncontrolling equity	$ 482,901	$ 577,262	$ (94,361)
17	Common Shareholders' Equity	$ 116,170	$ 91,484	$ 24,686
18	Common shares outstanding	6,589	7,228	(639)
19	Common shareholders' equity per common share	$ 17.63	$ 12.66	$ 4.97
20	Diluted common shareholders' equity	$ 121,117	$ 94,448	$ 26,669
21	Diluted common shares outstanding	6,948	7,547	(599)
22	Diluted common shareholders' equity per common share	$ 17.43	$ 12.51	$ 4.92

(1) Assets of CFVs exclude $10.4 million and $11.7 million as of December 31, 2015 and 2014, respectively, of net assets; and other liabilities of MMA excludes $10.4 million and $11.7 million as of December 31,2015 and 2014, respectively, of net liabilities. These assets and liabilities were eliminated in consolidation and primarily represent prepaid guarantee fees (CFVs) and deferred guarantee fees (MMA).

(2) Represents the amount of equity attributable to noncontrolling interest holders in the CFVs and reported through Noncontrolling interests in CFVs, IHS and IHS PM on the Company’s Consolidated Balance Sheets.
(3) Represents the amount of deficit equity balance attributable to the noncontrolling interest holder in IHS reported through Noncontrolling interests in CFVs, IHS and IHS PM on the Company’s Consolidated Balance Sheets.
(4) Represents the amount of equity balance attributable to the noncontrolling interest holder in IHS PM reported through Noncontrolling interests in CFVs, IHS and IHS PM on the Company’s Consolidated Balance Sheets.

Common Shareholders' Equity – Table 2

The table below summarizes the changes in common shareholders' equity for the periods presented:

	(in thousands)	For the year ended December 31, 2015	2014	Change
1	Net income allocable to common shareholders (see Table 3)	$ 17,843	$ 17,467	$ 376
2	Other comprehensive income allocable to common shareholders (see Table 4)	11,963	19,793	(7,830)
3	Other changes in common shareholders' equity (see Table 5)	(5,120)	(11,122)	6,002
4	Net change in common shareholders' equity	$ 24,686	$ 26,138	$ (1,452)

Net Income to Common Shareholders – Table 3

The table below summarizes net income allocable to common shareholders' for the periods presented:

	(in thousands)	For the year ended December 31, 2015	2014	Change
1	Net interest income (see Table 6)	$ 12,773	$ 14,487	$ (1,714)
2	Fee and other income (see Table 7)	13,677	10,656	3,021
	Operating and other expenses:			
3	Other interest expense (see Table 8)	(7,293)	(13,776)	6,483
4	Operating expenses (see Table 9)	(30,380)	(25,009)	(5,371)
5	Net gains on assets and derivatives (see Table 10)	31,329	19,367	11,962
6	Net gains transferred into net income from AOCI due to real estate foreclosure (see Table 4)		2,003	(2,003)
7	Equity in income from unconsolidated funds and ventures	865	6,738	(5,873)
8	Net loss allocated to common shareholders related to CFVs (see Table 11)	(3,161)	(15,171)	12,010
9	Net expenses allocated to IHS minority interest holder (see Table 11)		76	(76)
10	Net income allocated to IHS PM minority interest holder (see Table 11)	(31)		(31)
11	Net income (loss) to common shareholders from continuing operations before income taxes	17,779	(629)	18,408
12	Income tax (expense) benefit	(263)	45	(308)
13	Net income to common shareholders from discontinued operations, net of tax	327	18,051	(17,724)
14	Net income allocable to common shareholders	$ 17,843	$ 17,467	$ 376

Other Comprehensive Income Allocable to Common Shareholders – Table 4

The table below summarizes other comprehensive income that is allocable to common shareholders for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
	Bond related activity:			
1	Increase in bond values due to market conditions	$ 13,919	$ 13,672	$ 247
2	Increase in AOCI due to equity in losses from LTPPs (see Table 11)	5,338	5,912	(574)
3	Reversal of net unrealized gains on sold bonds	(4,992)	(11,303)	6,311
4	Reclassification of unrealized losses to operations due to impairment	179	113	66
5	Reinstatement of unrealized bond gains due to deconsolidation of consolidated LTPPs		13,975	(13,975)
6	Reversal of unrealized gains from AOCI into net income due to foreclosure (see Table 3)		(2,003)	2,003
7	Other comprehensive income related to bond activity	14,444	20,366	(5,922)
8	Income tax expense		(150)	150
9	Foreign currency translation adjustment	(2,481)	(423)	(2,058)
10	Other comprehensive income allocable to common shareholders	$ 11,963	$ 19,793	$ (7,830)

Other comprehensive income allocable to common shareholders for the year ended December 31, 2015 declined compared to amounts reported for the year ended December 31, 2014 primarily as a result of the reinstatement of unrealized gains on bonds that were recognized in 2014 due to the deconsolidation of consolidated lower tier property partnerships.

Other Changes in Common Shareholders' Equity – Table 5

The table below summarizes other changes in common shareholders' equity for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
1	Common share repurchases	$ (7,743)	$ (8,128)	$ 385
2	Foreign exchange gains	2,661		2,661
3	Purchases of shares in a subsidiary (including price adjustments on prior purchases)	(547)	(375)	(172)
4	Director and employee share awards	509	197	312
5	Fair value adjustments associated with stock compensation awards previously classified as equity		33	(33)
6	Net change due to consolidation		(2,849)	2,849
7	Other changes in common shareholders' equity	$ (5,120)	$ (11,122)	$ 6,002

Other changes in common shareholders' equity as reported for the year ended December 31, 2015 declined compared to that reported for the year ended December 31, 2014 primarily as a result of the Company's purchase of an additional 13.2% interest in IHS during the second quarter of 2014. As a result of this transaction, the Company transferred the cumulative IHS equity deficit balance of $2.8 million associated with the acquired shares from the noncontrolling shareholder to common shareholders' equity (reported within line 6 in the above table as "Net change due to consolidation.")

Consolidated Results of Operations

The following discussion of our consolidated results of operations should be read in conjunction with our financial statements, including the accompanying notes. See "Critical Accounting Policies and Estimates" for more information concerning the most significant accounting policies and estimates applied in determining our results of operations.

Net interest income – Table 6

The following table summarizes our net interest income for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
	Interest income:			
1	Interest on bonds	$ 12,728	$ 16,493	$ (3,765)
2	Interest on loans and short-term investments	2,383	1,114	1,269
3	Total interest income	15,111	17,607	(2,496)
	Asset related interest expense:			
4	Bond related (mainly total return swaps)	(1,336)	(2,392)	1,056
5	Notes payable and other debt, non-bond related	(1,002)	(728)	(274)
6	Total interest expense	(2,338)	(3,120)	782
7	Net interest income	$ 12,773	$ 14,487	$ (1,714)

Net interest income reported for the year ended December 31, 2015 declined compared to that reported for the year ended December 31, 2014 primarily as a result of $3.0 million of delinquent interest that was collected during 2014 in connection with two non-performing bonds that were restructured during 2014. This decline was partially offset by (i) a $1.3 million increase in interest income that was attributable to both a bridge loan that we made to a tax credit asset manager during the fourth quarter of 2014 and to solar loans that were originated in the second quarter of 2015 and (ii) a $1.1 million decline in asset related interest expense that was driven by a termination in the second quarter of 2014 of $30.3 million of bond financings that carried a weighted average yield of 7.8%.

Fee and Other Income – Table 7

The following table summarizes our fee and other income for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
1	Income on preferred stock investment	$ 4,353	$ 5,260	$ (907)
2	Asset management fees and reimbursements	6,807	3,580	3,227
3	Other income	2,517	1,816	701
4	Fee and other income	$ 13,677	$ 10,656	$ 3,021

Fee and other income reported for the year ended December 31, 2015 increased compared to that reported for the year ended December 31, 2014 primarily as a result of $2.3 million of asset management fees and reimbursements related to the SAWHF that were recognized during 2015. Asset management fees related to the SAWHF were not recognized as fee and other income in 2014 because SAWHF was consolidated for financial reporting purposes. Consequently, the SAWHF asset management fees and reimbursements of $2.5 million were reported in 2014 as an allocation of income (refer to line 11 of Table 11 below). The reported increase in fee and other income was also driven in part by $0.6 million and $0.4 million of asset management fees and reimbursements relating to IHS PM and our Solar Joint Venture, respectively.

Other interest expense – Table 8

The following table summarizes our other interest expense for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
1	Subordinated debt	$ (6,040)	$ (10,332)	$ 4,292
2	Notes payable and other debt	(1,253)	(3,444)	2,191
3	Other interest expense	$ (7,293)	$ (13,776)	$ 6,483

Other interest expense represents interest expense associated with debt that does not finance interest-bearing assets. Amounts reported for the year ended December 31, 2015 declined compared to that reported for the year ended December 31, 2014 primarily as a result of a decrease in our cost of funding associated with MMA Financial Holdings, Inc. (“MFH”) subordinated debt, which was restructured during the second quarter of 2015. See Notes to Consolidated Financial Statements – Note 6, “Debt,” for more information.

Operating Expenses – Table 9

The following table summarizes our operating expenses for the periods presented:

	(in thousands)	For the year ended December 31, 2015	2014	Change
1	Salaries and benefits	$ (15,733)	$ (12,708)	$ (3,025)
2	General and administrative	(3,223)	(3,447)	224
3	Professional fees	(3,967)	(5,372)	1,405
4	Other expenses	(7,457)	(3,482)	(3,975)
5	Operating expenses	$ (30,380)	$ (25,009)	$ (5,371)

Operating expenses reported for the year ended December 31, 2015 increased compared to that reported for the year ended December 31, 2014 primarily due to a (i) $2.2 million increase in employee incentive compensation for the full year ended December 31, 2015, (ii) $1.8 million increase in foreign exchange losses for the full year ended December 31, 2015 associated with the re-measurement into U.S. dollars of assets and liabilities that were denominated in a foreign currency and (iii) a $1.6 million impairment loss that we recognized on our co-investment in SAWHF during the third quarter of 2015.

Net Gains on Assets, Derivatives and Extinguishment of Liabilities – Table 10

The following table summarizes our net gains on assets, derivatives and extinguishment of liabilities for the periods presented:

	(in thousands)	For the year ended December 31, 2015	2014	Change
1	Net gains on bonds	$ 6,513	$ 12,293	$ (5,780)
2	Net gains on loans	150	150	
3	Net gains on derivatives	3,996	4,143	(147)
4	Net gains on real estate	11,253	882	10,371
5	Net gains on investment in preferred stock	5,242		5,242
6	Net gains on extinguishment of liabilities	4,175	1,899	2,276
7	Net gains on assets, derivatives and extinguishment of liabilities	$ 31,329	$ 19,367	$ 11,962

Net gains on assets, derivatives and extinguishments of liabilities that were reported for the year ended December 31, 2015 increased compared to that reported for the year ended December 31, 2014 primarily due to net gains associated with purchases and sales of real estate that included (i) a $1.3 million bargain purchase gain recognized in connection with the acquisition of real estate in the fourth quarter of 2015 that was reported as a business combination, (ii) a $4.3 million gain that was recognized in the third quarter of 2015 as a result of a sale of undeveloped land and (iii) a $5.6 million gain that was recognized during the second quarter of 2015 in connection with the sale of an affordable multifamily property. The reported increase in such net gains was also driven in part by the recognition of a $5.2 million gain during the fourth quarter of 2015 that was generated by the redemption of the Company's investment in preferred stock.

Net Loss from CFVs Allocable to Common Shareholders – Table 11

The table below summarizes the allocable net loss related to funds and ventures that were consolidated for the periods presented:

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
1	Revenue from CFVs	$ 988	$ 16,494	$ (15,506)
2	Expense from CFVs	(37,797)	(90,435)	52,638
3	Net gains related to CFVs	853	15,227	(14,374)
4	Equity in losses from LTPPs of CFVs	(22,219)	(32,730)	10,511
5	Net losses due to deconsolidation of CFVs		(23,867)	23,867
6	Net loss from CFVs	(58,175)	(115,311)	57,136
7	Net loss from CFVs allocable to noncontrolling interest in CFVs, IHS and IHS PM (1)	55,014	100,140	(45,126)
8	Net loss from CFVs allocable to common shareholders	$ (3,161)	$ (15,171)	$ 12,010

(1) Excludes $31,562 of net gain allocable to the minority interest holder in IHS PM for the year ended December 31, 2015. Excludes $77,326 of net loss allocable to the minority interest holder in IHS for the year ended December 31, 2014. These amounts are excluded from this presentation because IHS related activity is not included within lines 1 through 5 above.

As reported in the table that follows, the net loss from CFVs that is allocable to common shareholders that was reported in the preceding table for the year ended December 31, 2015 decreased compared to that reported in the preceding table for the year ended December 31, 2014 primarily as a result of the deconsolidation as of December 31, 2014 of the SAWHF and a non-profit entity (reported in line 16 in the table that follows):

		For the year ended December 31,		
	(in thousands)	2015	2014	Change
9	Guarantee fees	$ 1,324	$ 1,324	$
10	Equity in losses from LTPPs	(5,338)	(5,912)	574
11	Asset management fees		4,103	(4,103)
12	Interest income		1,526	(1,526)
13	Equity in income from SAWHF		343	(343)
14	Other expenses		(1,105)	1,105
15	Net gain due to consolidation of CFVs	853		853
16	Net loss due to deconsolidation of CFVs		(15,450)	15,450
17	Net loss from CFVs allocable to common shareholders	$ (3,161)	$ (15,171)	$ 12,010

Liquidity and Capital Resources

Our principal sources of liquidity include cash and cash equivalents and cash flows from investing activities. At December 31, 2015 and December 31, 2014, we had unrestricted cash and cash equivalents of $21.8 million and $29.6 million, respectively, and we believe we have sufficient liquidity to meet our obligations as they become due.

For the periods presented, we consolidated certain funds and ventures even though we generally had no or nominal equity interest in these entities, and we therefore reflected the cash flow activities for those funds and ventures as part of our Consolidated Statements of Cash Flow. As reflected on our consolidated balance sheets, the cash held by these CFVs was reported in "Restricted cash," rather than as cash and cash equivalents because the Company does not have legal title to this cash. Therefore, the net increase to cash and cash equivalents is representative of the change only to MMA's cash (i.e., without the cash of CFVs); however, the individual operating, investing and financing categories include cash flow activity for MMA and the CFVs.

The tables below provide the cash activity related to both MMA and the CFVs.

	For the year December 31, 2015		
(in thousands)	MMA	CFVs	Total
Unrestricted cash and cash equivalents at beginning of period	$ 29,619	$	$ 29,619
Net cash (used in) provided by:			
Operating activities	(4,444)	(7,711)	(12,155)
Investing activities	10,759	7,243	18,002
Financing activities	(14,091)	468	(13,623)
Net decrease in cash and cash equivalents	(7,776)		(7,776)
Cash and cash equivalents at end of period	$ 21,843	$	$ 21,843

	For the year December 31, 2014		
(in thousands)	MMA	CFVs	Total
Unrestricted cash and cash equivalents at beginning of period	$ 66,794	$	$ 66,794
Net cash provided by (used in):			
Operating activities	(189)	(1,006)	(1,195)
Investing activities	41,586	1,523	43,109
Financing activities	(78,572)	(517)	(79,089)
Net decrease in cash and cash equivalents	(37,175)		(37,175)
Cash and cash equivalents at end of period	$ 29,619	$	$ 29,619

Operating activities

The following table provides information about cash flows associated with operating activities of MMA:

	For the year ended December 31,		
(in thousands)	2015	2014	Change
Interest income	$ 18,228	$ 21,041	$ (2,813)
Preferred stock dividends received	5,232	5,260	(28)
IHS asset management fees received	6,228	3,586	2,642
Other income	2,195	3,925	(1,730)
Salaries and benefits	(12,955)	(9,587)	(3,368)
Advances on and originations of loans held for sale	(6,752)		(6,752)
Interest paid	(8,527)	(10,281)	1,754
Professional fees	(4,135)	(7,077)	2,942
General and administrative	(2,847)	(3,685)	838
Other expenses	(2,194)	(3,179)	985
Other	1,083	(192)	1,275
Net cash used in operating activities	$ (4,444)	$ (189)	$ (4,255)

Cash flows used in operating activities were $4.3 million higher during the year ended December 31, 2015 compared to the year ended December 31, 2014.

During the second and third quarters of 2015, we funded $6.8 million of loans held for sale through our Energy Capital and Other Investments business line. As required by U.S. generally accepted accounting principles ("GAAP"), the amount of cash used to fund these loans was recognized as an operating activity because these loans were classified as held for sale for accounting purposes.

For the year ended December 31, 2015, net cash used in operating activities attributable to salaries and benefits increased $3.4 million primarily as a result of higher employee incentive compensation made by the Company in 2015, as well as due to the hiring of new employees associated with our Energy Capital and Other Investments business line. In addition, interest income declined $2.8 million primarily due to two bond restructurings that were completed during the year ended December 31, 2014. Furthermore, other income declined $1.7 million primarily as a result of asset management fees that we received from our LIHTC business prior to the sale of a portion of it to a tax credit asset manager in the fourth quarter of 2014.

These impacts, which decreased operating cash flows, were partially offset by a $3.8 million decrease in general and administrative expenses and professional fees, primarily as a result of (i) a discounted settlement of an obligation related to professional fees that was paid during the second quarter of 2014 and (ii) a decrease in legal fees. In addition, IHS asset management fees received during the year ended December 31, 2015 increased by $2.6 million as compared to the year ended December 31, 2014. This increase was primarily the result of asset management fees received on IHS Fund II, which closed in the fourth quarter of 2014. The Company also experienced a decrease in interest paid of $1.8 million as a result of the redemption of Company debt obligations during 2014. Other operating activities generated $1.3 million more cash during the year ended December 31, 2015 compared to that reported for the year ended December 31, 2014, primarily as a result of interest received on seller financing that we provided to a tax credit asset manager in connection with the sale of a portion of our LIHTC business. These amounts were not recognized in income. Rather, such amounts were recognized as a deferred gain since the conveyance of the sold portion of our LIHTC business was not reported by the Company as a sale.

Investing activities

The following table provides information about cash flows associated with investing activities of MMA:

	For the year ended December 31,		
(in thousands)	2015	2014	Change
Proceeds from the sale of real estate and other investments	$ 37,533	$ 64,843	$ (27,310)
Principal payments and sales proceeds received on bonds and loans	32,606	19,975	12,631
Proceeds from redemption of preferred stock	11,613		11,613
Capital distributions received from investments in partnerships	202		202
Investments in partnerships and real estate	(60,351)	(12,662)	(47,689)
Decrease in restricted cash	9,970	10,110	(140)
Purchase of bonds	(15,123)	(18,380)	3,257
Purchase, advances on and originations of loans	(5,691)	(22,300)	16,609
Net cash provided by investing activities	$ 10,759	$ 41,586	$ (30,827)

Cash flows provided by investing activities during the year ended December 31, 2015 declined $30.8 million compared to that reported for the year ended December 31, 2014.

During the third and fourth quarters of 2015, we invested $50.0 million in our newly formed Solar Joint Venture, which contributed to a $47.7 million increase in cash used for investments in partnerships and real estate as compared to that reported for the year ended December 31, 2014. Additionally, for the year ended December 31, 2015, proceeds from the sale of real estate and other investments declined $27.3 million compared to that received during the year ended December 31, 2014. This decline is primarily the result of fewer real estate sales in 2015 as our non-performing asset portfolio has been reduced.

The declines in investing cash flows discussed above were partially offset by an increase in principal payments and sales proceeds received on bonds and loans of $12.6 million for the year ended December 31, 2015, compared to that reported as investing-related cash flows received during the same period in 2014. This increase was attributable to the collection of $14.4 million in connection with the redemption of the bridge loan to a tax credit asset manager during the second quarter of 2015. The Company also received $2.9 million related to a partial payment of the seller financing that was provided to the tax credit asset manager and that is reflected in “Proceeds from the sale of real estate and other investments” within investing activities. Moreover, the Company use of cash during 2015 for purchases, advances on and originations of loans declined by $16.6 million compared to 2014. This decrease was primarily a result of the aforementioned bridge loan to the tax credit asset manager, which was funded in the fourth quarter of 2014. Furthermore, during the fourth quarter of 2015, the Company’s investments in preferred stock were fully redeemed by the issuer and, as a result, the Company received $11.6 million.

Financing activities

The following table provides information about cash flows associated with financing activities of MMA:

	For the year ended December 31,		
(in thousands)	2015	2014	Change
Proceeds from borrowing activity	$ 32,743	$ 10,100	$ 22,643
Repayment of borrowings	(38,790)	(78,893)	40,103
Purchase of treasury stock	(7,743)	(8,129)	386
Other	(301)	(1,650)	1,349
Net cash used in financing activities	$ (14,091)	$ (78,572)	$ 64,481

Cash flows used in financing activities were $64.5 million lower during the year ended December 31, 2015 as compared to the year ended December 31, 2014.

The decrease in cash used in financing activities was primarily due to a $40.1 million decrease in our repayment of borrowings. During 2014, the repayment of borrowings was primarily comprised of payments of $55.6 million that were made to repurchase bonds, payments of which were reported as the repayment of secured borrowings for reporting purposes, as well as $17.6 million of payments on notes payable. During 2015, the repayment of borrowings was largely due to (i) $16.5 million of principal payments made in connection with subordinated debt issued by MFH, (ii) $11.6 million used to terminate one of the total return swap financings associated with our preferred stock investments and (iii) $6.2 million used to repurchase a bond (that was reported by the Company as a repayment of a secured borrowing in connection with the termination of a related total return swap financing agreement).

The decrease in cash used in financing activities was also attributable to a $22.6 million increase in proceeds from borrowing activities, which primarily was the result of $25.6 million of proceeds generated from total return swap financing arrangements that were entered into during 2015 as compared to only $10.1 million of proceeds that were generated from total return swaps that were entered into during 2014. In 2015, the Company also received $7.2 million from loans that it conveyed to the Solar Joint Venture, cash payments of which are included in "Proceeds from borrowing activity" since the conveyance of such loans were reported as a secured borrowing.

Off-Balance Sheet Arrangements

At December 31, 2015, the Company had a $13.0 million subordinate loan receivable from the tax credit asset manager to whom we provided financing in connection with the sale of a portion of our LIHTC business. This loan is not recognized for financial statement purposes because the related conveyance did not qualify as a sale for financial reporting purposes. During the second quarter of 2015, the tax credit asset manager repaid $2.9 million of the financing that we provided and that reduced the UPB of our off-balance sheet receivable from the tax credit asset manager to $13.0 million. We reported cash collected as a deferred gain that we classified as a component of "Other liabilities" in our Consolidated Balance Sheets.

Interest collected during the year ended December 31, 2015 and 2014 on the seller financing was $2.0 million and $0.3 million, respectively, which was recorded as a deferred gain through "Other liabilities" in the Consolidated Balance Sheets.

At December 31, 2015, the cumulative amount of the deferred gain on the seller financing, which is recognized in the Consolidated Balance Sheets as a component of "Other liabilities," was $5.2 million (which reflects $2.9 million of principal collected and $2.3 million of interest collected).

Debt

The table that follows below summarizes the carrying values and weighted-average effective interest rates of the Company's debt obligations that were outstanding at December 31, 2015. See Notes to Consolidated Financial Statements – Note 6, "Debt," for more information.

	At December 31, 2015		
(dollars in thousands)	Carrying Value	Weighted-Average Effective Interest Rate	
Asset Related Debt (1)			
Notes payable and other debt – bond related	$ 89,268	1.4	%
Notes payable and other debt – non-bond related debt	10,690	12.2	
Total asset related debt	99,958	2.6	
Other Debt (1)			
Subordinated debt	132,254	3.0	
Notes payable and other debt			
Total other debt	132,254	3.0	
Total asset related debt and other debt	232,212	2.8	
Debt related to CFVs	9,883	5.1	
Total debt	$ 242,095	2.9	

(1) Asset related debt is debt that finances interest-bearing assets. The interest expense from this debt is included in "Net interest income" on the Consolidated Statements of Operations. Other debt is debt that does not finance interest-bearing assets. The interest expense from this debt is included in "Interest expense" under" Operating and other expenses" on the Consolidated Statements of Operations.

Asset Related Debt

Notes Payable and Other Debt – Bond Related

These debt obligations pertain to bonds that are classified as available-for-sale and that were financed by the Company through total return swaps. See Notes to Consolidated Financial Statements – Note 6, "Debt," for more information.

Notes Payable and Other Debt – Non-Bond Related

At December 31, 2015, this debt obligation relates primarily to amounts recognized by the Company in connection with a conveyance of solar loans to the Solar Joint Venture. See Notes to Consolidated Financial Statements – Note 6, “Debt,” for more information.

Other Debt

Subordinated debt

At December 31, 2015, the Company had subordinated debt with a UPB of $123.1 million and carrying value of $132.3 million. The weighted average yield of such debt was 3.0%. The carrying value of such debt includes $11.9 million of net premiums that will amortize into net interest income as a reduction to debt expense over the life of the debt. Such impacts will be offset by $2.7 million of unamortized debt issuance costs that will amortize as an increase to interest expense over the remaining life of the debt.

Notes payable and other debt

During the fourth quarter of 2015, the debt pertaining to the Company’s investments in preferred stock that were financed by the Company through total return swaps was terminated. Additionally, during the fourth quarter of 2015, the debt relating to one of the co-founders of IHS was terminated. See Notes to Consolidated Financial Statements – Note 6, “Debt,” for more information.

Covenant Compliance and Debt Maturities

At December 31, 2015, the Company was not in default under any of its debt arrangements.

Guarantees

The Company has guaranteed minimum yields to investors in Guaranteed Funds and has agreed to indemnify the purchaser of the GP interests in those Guaranteed Funds from investor claims related to those guarantees. Additionally, the Company has agreed to indemnify specific investors in non-Guaranteed Funds related to the performance on certain LTPPs. These indemnifications will expire by December 31, 2017 and no provisions exist within such agreements that would enable the Company to recover from third parties any of the amounts that it would be required to pay pursuant to such agreements. As of December 31, 2015, the Company has not made any payments in connection with these agreements.

On December 29, 2015, MuniMae TEI Holdings, LLC ("TEI") provided a limited guarantee of expected tax credits to be generated by a portfolio of low income housing tax credit partnership interests that was acquired by our LIHTC Partnership, known as MMA Capital TC Fund I, LLC ("TC Fund I"), which we established in the fourth quarter of 2015. Under this guarantee, TEI committed to make mandatory loans to TC Fund I for distribution on an annual basis to the bank involved in such transaction in the amount of 95% of the excess, if any, of the projected tax credits for years 2016 to 2020 over the tax credits actually allocated to the bank. In addition, until December 31, 2025, TEI agreed to make mandatory loans to TC Fund I for distribution to the bank in the amount of tax credits previously claimed from 2016 to 2020 that are subsequently recaptured or otherwise reduced or lost, together with associated costs. Mandatory loans are limited in amount to 70% of projected tax credits in any year ($109.6 million of total maximum exposure) and may be subject to certain other limitations. In addition to these limitations, the bank will absorb 5% of any loss of tax credits.

The following table provides information about the maximum exposure associated with the Company's guarantee and indemnification agreements that we executed in connection with Guaranteed Funds, TC Fund I and certain LTPPs:

	At December 31, 2015	
(in thousands)	Maximum Exposure (1)	Carrying Amount
Guaranteed Funds (2)	$ 490,843	$ 451
TC Fund I	109,599	4,227
LTPPs	1,223	80

(1) The Company's maximum exposure represents the maximum loss the Company could incur under such agreements but is not indicative of the likelihood of expected loss under such agreements.

(2) The maximum exposure includes $482.7 million related to the 11 Guaranteed Funds we consolidated at December 31, 2015. As further discussed in Notes to Consolidated Financial Statements - Note 10, "Guarantees and Collateral," and as of December 31, 2015, the Company had $10.8 million of unamortized fees related to indemnifications associated with the 11 Guaranteed Funds.

Debt Related to CFVs

At December 31, 2015, debt related to CFVs includes a $6.7 million debt obligation of one of the consolidated LIHTC funds. At December 31, 2015, the carrying value of this debt, which is due on demand, equals its UPB and its weighted average effective interest rate is 5.5%. The remaining $3.2 million of debt is related to the consolidated property partnerships and had a face amount of $2.8 million. The weighted average effective interest rate for this debt at December 31, 2015 was 4.3% and had various maturity dates through May 1, 2039.

Company Capital

Common Shares

On December 14, 2015, the Board authorized a 2016 share repurchase program ("2016 Plan") for up to 0.6 million shares and on December 31, 2015, the Company adopted a further Rule 10b5-1 Plan implementing the Board's authorization. As of December 31, 2015, all previous authorizations had either expired or were completed, therefore only the 2016 Plan of up to 0.6 million shares remains. Between January 1, 2016 and March 3, 2016, we repurchased 104,839 shares at an average price of $14.60. The maximum price at which management is authorized to purchase shares is $17.43 per share.

Dividend Policy

The Board makes determinations regarding dividends based on management's recommendation, which is based on an evaluation of a number of factors, including our common shareholders' equity, business prospects and available cash. We do not expect to pay a dividend for the foreseeable future.

Tax Benefits Rights Agreement

Effective May 5, 2015, the Company adopted a Rights Plan designed to help preserve the Company's NOLs. In connection with adopting the Rights Plan, the Company declared a distribution of one right per common share to shareholders of record as of May 15, 2015. The rights do not trade apart from the current common shares until the distribution date, as defined in the Rights Plan. Under the Rights Plan, the acquisition by an investor (or group of related investors) of greater than a 4.9% stake in the Company, could result in all existing shareholders other than the new 4.9% holder having the right to acquire new shares for a nominal cost, thereby significantly diluting the ownership interest of the acquiring person. The Rights Plan runs for a period of five years, or until the Board determines the plan is no longer required, whichever comes first. See Income Taxes section below for more information.

As of December 31, 2015, there was one shareholder whose ownership interest in the Company exceeded 4.9% (5.5%). However, the aforementioned provision in which all existing shareholders other than the new holder with ownership greater than 4.9% would be provided the opportunity to acquire new shares for a nominal cost was not triggered since the shareholder's ownership stake grew to exceed the 4.9% threshold as a result of actions taken by the Company to repurchase its own shares as opposed to actions taken by the shareholder to acquire additional shares.

Bond Portfolio

The table below provides key metrics related to all bonds in which we have an economic interest, including bonds that are not recognized for financial statement purposes but for which the Company maintains economic risks and rewards through total return swaps that the Company executed and accounts for as derivatives as of December 31, 2015. See Notes to Consolidated Financial Statements – Note 7, "Derivative Instruments" for more information about total return swaps that are accounted for as derivative instruments.

(dollars in thousands)	UPB	Fair Value	Wtd. Avg. Coupon	Wtd. Avg. Pay Rate (4)	Wtd. Avg. Debt Service Coverage (5)	Number of Bonds	Number of Multifamily Properties
Multifamily tax-exempt bonds							
Performing	$ 187,033	$ 195,435	6.53 %	6.53 %	1.05 x	23	20
Non-performing (1), (2)	50,763	43,333	6.54 %	3.10 %	0.72 x	6	5
Subordinate Cash Flow (3)	10,178	8,847	6.80 %	0.91 %	N/A	4	–

Total Multifamily tax-exempt bonds	$ 247,974	$ 247,615	6.53 % (6)	5.80 % (6)	0.98 x	33	25
CDD bonds	$ 28,220	$ 26,856	6.75 %	6.75 %	N/A	2	N/A
Other bonds	$ 34,165	$ 34,974	4.34 %	4.34 %	N/A	4	N/A
Total Bond Portfolio	$ 310,359 (7)	$ 309,445 (7)	6.30 % (6)	5.72 % (6)	0.98 x	39	25

(1) Non-performing is defined as bonds that are 30+ days past due in either principal or interest.
(2) This amount includes subordinate bonds with must-pay coupons with a UPB of $7.6 million and a fair value of $4.7 million.
(3) Subordinate cash flow bonds do not have must-pay coupons and are payable out of available cash flow only. A portion of the debt service has been collected on these bonds over the preceding 12 months, however, debt service is not calculated on these bonds as non-payment of debt service is not a default.
(4) The weighted average pay rate represents the cash interest payments collected on the bonds as a percentage of the bonds' average UPB for the preceding 12 months for the population of bonds at December 31, 2015.
(5) Debt service coverage is calculated on a rolling 12-month basis using property level information as of the prior quarter-end for those bonds with must pay coupons.
(6) The weighted average coupon and pay rate of the multifamily tax-exempt bonds and total bond portfolio excludes the population of subordinate cash flow bonds where non-payment of debt service is not a default.
(7) Includes 10 bonds financed by TRSs and accounted for as derivatives. These 10 bonds had a UPB of $87.0 million and a fair value of $91.0 million and were subject to TRSs with a notional amount of $88.4 million, for a net derivative asset value of $2.6 million. This amount also includes an additional 10 bonds financed by TRSs accounted for as a secured borrowing. These bonds had a UPB of $87.6 million and a fair value of $92.8 million and were subject to TRSs with a notional amount of $89.4 million.

Real Estate Investments

At December 31, 2015, our U.S. real estate investments had a GAAP carrying amount of $38.3 million with an estimated fair value of $46.8 million. Of the $38.3 million GAAP carrying amount, $29.6 million was reported through investments in partnerships and $8.7 million was reported through other assets. At December 31, 2015, our U.S. real estate investments were comprised of interests in real estate partnerships that invest in commercial real estate, land and affordable multifamily rental properties as well as a direct land investment. The Company estimates the fair value of its interests in real estate partnerships and direct land investments using various valuation techniques, including by discounting expected cash flows from such investments, appraisals and other indications of fair value, including sale agreements and letters of intent to purchase if available.

Critical Accounting Policies and Estimates

The preparation of our consolidated financial statements is based on the application of U.S. GAAP, which requires us to make certain estimates and assumptions that affect the reported amounts and classification of the amounts in our consolidated financial statements. These estimates and assumptions require us to make difficult, complex and subjective judgments involving matters that are inherently uncertain. We base our accounting estimates and assumptions on historical experience and on judgments that are believed to be reasonable under the circumstances known to us at the time. Actual results could differ materially from these estimates. We applied our critical accounting policies and estimation methods consistently in all material respects and for all periods presented, and have discussed those policies with our Audit Committee.

We believe the following accounting policies involve a higher degree of judgment and complexity and represent the critical accounting policies and estimates used in the preparation of our consolidated financial statements.

Valuation of Bonds

We classify and account for mortgage revenue bonds and other municipal bonds that we own as available-for-sale pursuant to ASC No. 320, "Investments – Debt and Equity Securities." Accordingly, we measure investments in bonds at fair value in our Consolidated Balance Sheets, with unrealized gains and losses included in "Accumulated other comprehensive income" ("AOCI").

We measure the fair value of most of our performing bonds by calculating the net present value of their expected future cash flows using discount factors that reflect the market yield for such investments. In this regard, discount factors reflect specific bond attributes such as the expected term of a bond, debt service coverage ratio, geographic location and bond size. If observable, binding market quotes are available, we will estimate the fair value of our performing bonds based on such quoted prices.

For non-performing bonds (i.e., defaulted bonds as well as certain non-defaulted bonds that we deem at risk of default in the near term), we measure fair value by discounting the property's expected cash flows and residual proceeds using estimated discount and capitalization rates, less estimated selling costs. However, the Company may measure fair value based on a sale agreement, a letter of intent to purchase, an appraisal or other indications of fair value as available.

There are significant judgments and estimates associated with projecting bond or underlying collateral cash flows for non-performing bonds given that we are required to make assumptions about macroeconomic conditions, interest rates, local and regional real estate market conditions and individual property performance. In addition, the determination of the discount rates applied to these cash flow forecasts involves significant judgments as to current credit spreads and investor return expectations. The bonds reflected on the Consolidated Balance Sheets at December 31, 2015 were priced at approximately 98% of the portfolio's UPB.

Consolidated Funds and Ventures

We have equity investments in partnerships and other entities that primarily hold or develop real estate. In most cases our legal interest in these entities is minimal; however, we apply ASC No. 810, "Consolidation" in order to determine if we need to consolidate any of these entities. There is considerable judgment in assessing whether to consolidate an entity under these accounting principles. Some of the criteria we are required to consider include:

- The determination as to whether an entity is a variable interest entity (“VIE”).
- If the entity is considered a VIE, then the determination of whether we are the primary beneficiary of the VIE is needed and requires us to make judgments regarding: (1) our power to direct the activities of the VIE that most significantly impact the VIE’s economic performance, and (2) our obligation to absorb losses of the VIE that could potentially be significant to the VIE or our right to receive benefits from the VIE that could potentially be significant to the VIE. These assessments require a significant analysis of all of the variable interests in an entity, any related party considerations and other features that make such an analysis difficult and highly judgmental.

If the entity is required to be consolidated, then upon initial consolidation, we record the assets, liabilities and noncontrolling interests at fair value. As of December 31, 2015, all of our CFVs were investment entities that own real estate or real estate related investments and, as such, we make judgments related to the forecasted cash flows to be generated from the investments such as rental revenue and operating expenses, vacancy, replacement reserves and tax benefits (if any). In addition, we must make judgments about discount rates and capitalization rates.

Income Taxes

We are a limited liability company that elected to be taxed as a corporation for income tax purposes. All of our business activities, with the exception of our foreign investments and managing member interests in two remaining LIHTC Funds, are conducted by entities included in our consolidated corporate federal income tax return.

ASC No. 740, “Income Taxes,” establishes financial accounting and reporting standards for the effect of income taxes. The objectives of accounting for income taxes are to recognize the amount of taxes payable or refundable for the current period and deferred tax assets and liabilities for future tax consequences of events that have been recognized in an entity's financial statements or tax returns. Significant judgment is required in determining and evaluating income tax positions, including assessing the relative merits and risks of various tax treatments considering statutory, judicial and regulatory guidance available regarding the tax position. We establish additional provisions for income taxes when there are certain tax positions that could be challenged and it is more likely than not these positions will not be sustained upon review by taxing authorities. Judgment is also required in assessing the future tax consequences of events that have been recognized in our consolidated financial statements or tax returns as well as the recoverability of our deferred tax assets. In assessing our ability to realize the benefit of our deferred tax assets and thereby measuring the required valuation allowance, we consider information such as forecasted earnings, future taxable income and tax planning strategies, all of which entail significant judgment.

As of December 31, 2015, we had an estimated $436.9 million of federal net operating losses representing a significant potential asset of the Company, subject to a full valuation allowance as of that measurement date as discussed above. There are a number of risks associated with the potential ability of the Company to use the net operating losses, including: 1) change of control for the Company; 2) lack of taxable income generated before expiration of the carryforward period beginning in 2027; and 3) potential challenges from tax authorities. On May 5, 2015, the Board adopted a Rights Plan to potentially mitigate the risk of a change of control event. Although the Rights Plan is generally an effective deterrent against, it does not absolutely prevent, a change of control and it could be subject to challenge following a trigger event. The Rights Plan will run for a period of five years, or until the Board determines the plan is no longer required, whichever comes first.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements of MMA Capital Management, LLC, together with the report thereon of KPMG LLP dated March 15, 2016, are in Item 15. Exhibits and Financial Statement Schedules at the end of this Report and are incorporated by reference herein.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings and submissions to the SEC under the Exchange Act is recorded, processed, and reported within the time periods specified in the SEC’s rules and forms. Such controls include those designed to ensure that information is accumulated and communicated to management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), as appropriate, to allow timely decisions regarding required disclosures.

An evaluation was conducted under the supervision and with the participation of management, including the CEO and CFO, on the effectiveness of our disclosure controls and procedures, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, the CEO and CFO concluded that due to material weaknesses in our internal control over financial reporting described below, our disclosure controls and procedures were not effective as of December 31, 2015.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with GAAP; (3) provide reasonable assurance that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (4) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. It is a process that involves human diligence and compliance and is therefore subject to human error and misjudgment. In general, evaluations of effectiveness for future periods are subject to risk as controls may become inadequate due to changes in conditions or the degree of compliance with key processes or procedures could deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

An evaluation was conducted under the supervision and with the participation of management, including our CEO and CFO, on the effectiveness of the Company's internal control over financial reporting as of December 31, 2015 based on criteria related to internal control over financial reporting described in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013 Framework). Based on this evaluation, management has determined that because of the material weaknesses described below, the Company's internal control over financial reporting was not effective as of December 31, 2015.

The Company did not maintain an effective control environment based on the following:

- The Company did not have adequately trained resources with assigned responsibility and accountability over the design and operation of internal controls; and

- The Company did not design and implement appropriate controls over the financial reporting activities conducted by third party service providers related to outsourced information technology and asset management processes.

As a consequence of an ineffective control environment, the Company did not have effective control activities over the following:

- The Company did not have effective general information technology controls ("GITCs"), specifically program change controls and users' access to its servicing system and bond database and therefore the Company did not maintain effective controls over the accounting for certain investments and related income. Additionally, the Company did not have adequate GITCs over electronic spreadsheets used in the financial reporting process.

- The Company did not have adequately designed and documented management review controls over the accounting for certain investments and related income or losses. Specifically, the management review controls did not adequately address management's expectations, criteria for investigation, and the level of precision used in the performance of the review controls. Also, the management review controls did not address the completeness and accuracy of key assumptions and other data included in electronic spreadsheets.

The control deficiencies described above did not result in any material misstatement in the consolidated financial statements as of and for the fiscal year ended December 31, 2015. However, these control deficiencies create a reasonable possibility that a material misstatement to the consolidated financial statements would not be prevented or detected on a timely basis in the future, and therefore we concluded that the deficiencies represent material weaknesses in the Company's internal control over financial reporting.

The independent registered public accounting firm, KPMG LLP, has expressed an adverse report on the operating effectiveness of the Company's internal control over financial reporting. KPMG LLP's report appears on page 29 below.

Changes in Internal Control Over Financial Reporting

Except for the matters noted above, there were no other changes in internal control over financial reporting during the fourth quarter of 2015 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Remediation Plan

The Company will execute the following steps in 2016 to remediate the aforementioned material weaknesses in its internal control over financial reporting:

- All critical electronic spreadsheets that are used by the Company for financial reporting purposes will be evaluated for change controls and other GITCs and any identified gaps in such controls will be remediated.

- Management review controls that govern the Company's accounting for certain of its investments will be reassessed to determine the appropriate level of precision required to mitigate the potential for a material misstatement. The Company will also enhance its supporting documentation to make clear: (i) management's expectations related to financial results of transactions that are subject to such controls; (ii) the level of precision and criteria used for investigation; and (iii) evidence that all outliers or exceptions that should have been identified, including items that should have fluctuated but did not. Additionally, the Company will also establish process level controls to support management review controls where appropriate.

- The Company will sponsor ongoing training related to the COSO 2013 Framework best practices for personnel that are accountable for internal control over financial reporting.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

MMA Capital Management, LLC:

We have audited MMA Capital Management, LLC's (the Company) internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control   Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. Material weaknesses related to

- Inadequately trained resources assigned responsibility and accountability for internal control;
- Ineffective design and implementation of controls over the financial reporting activities conducted by third party service providers related to outsourced information technology and asset management processes;
- Ineffective general information technology controls (GITCs), specifically program change controls and users' access to the servicing system and bond database and inappropriate segregation of duties and ineffective automated controls over the accounting for certain investments and related income;
- Ineffective GITCs over the integrity of electronic spreadsheets used in financial reporting;
- Ineffective design and documentation of management review controls over the accounting for certain investments and related income or losses that addressed management's expectations, criteria for investigation, and level of

precision used in the performance of the review controls; and

- Ineffective controls over the completeness and accuracy of assumptions and other data included in electronic spreadsheets used in accounting for certain investments and related income or losses

have been identified and included in management's assessment.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of MMA Capital Management, LLC and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the years then ended. The material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the 2015 consolidated financial statements, and this report does not affect our report dated March 15, 2016, which expressed an unqualified opinion on those consolidated financial statements.

In our opinion, because of the effect of the aforementioned material weaknesses on the achievement of the objectives of the control criteria, MMA Capital Management, LLC and subsidiaries has not maintained effective internal control over financial reporting as of

December 31, 2015, based on criteria established in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

We do not express an opinion or any other form of assurance on management's statements referring to corrective actions taken after December 31, 2015, relative to the aforementioned material weaknesses in internal control over financial reporting.

/s/ KPMG LLP

Baltimore, Maryland

March 15, 2016

Item 9B. OTHER INFORMATION

None.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The Company has a Code of Ethics that applies to Officers, Employees and Directors and a Code of Ethics that applies to Senior Financial Officers, copies of which are available on the Company's website at www.mmacapitalmanagement.com.

The remaining information required to be furnished by this Item 10 is contained in the Company's Proxy Statement for its 2016 Annual Shareholders' Meeting under the captions "Information about the Company's Directors," "Board of Directors Matters," "Identification of Executive Officers," and "Section 16(a) Beneficial Ownership Reporting Compliance" and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required to be furnished by this Item 11 is contained in the Company's Proxy Statement for its 2016 Annual Shareholders' Meeting under the heading "Executive Compensation" and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The information required to be furnished by this Item 12 is contained in the Company's Proxy Statement for its 2016 Annual Shareholders' Meeting under "Security Ownership of Certain Beneficial Owners and Management" and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required to be furnished by this Item 13 is contained in the Company's Proxy Statement for its 2016 Annual Shareholders' Meeting under "Related Party and Affiliate Transactions" and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required to be furnished by this Item 14 is contained in the Company's Proxy Statement for its 2016 Annual Shareholders' Meeting under "Independent Registered Public Accounting Firm" and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) The following is a list of the consolidated financial statements included at the end of this Report:

Report of Independent Registered Public Accounting Firm

Consolidated Balance Sheets at December 31, 2015 and 2014

Consolidated Statements of Operations for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Equity for the Years Ended December 31, 2015 and 2014

Consolidated Statements of Cash Flows for the Years Ended December 31, 2015 and 2014

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

Schedule II – Valuation and Qualifying Accounts (The information required is presented within the notes to the Consolidated Financial Statements)

(3) Exhibit Index

See Exhibit Index immediately preceding the exhibits

Signatures

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

MMA CAPITAL MANAGEMENT, LLC

Dated: March 15, 2016	By:	/s/ Michael L. Falcone
	Name:	Michael L. Falcone
	Title:	Chief Executive Officer and President and Director (Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

By:	/s/ Michael L. Falcone	March 15, 2016
Name:	Michael L. Falcone	
Title:	Chief Executive Officer, President and Director (Principal Executive Officer)	
By:	/s/ David C. Bjarnason	March 15, 2016
Name:	David C. Bjarnason	
Title:	Chief Financial Officer	

	and Executive Vice President	
By:	/s/ Francis X. Gallagher	March 15, 2016
Name:	Francis X. Gallagher	
Title:	Chairman of the Board of Directors	
By:	/s/ Steven S. Bloom	March 15, 2016
Name:	Steven S. Bloom	
Title:	Director	
By:	/s/ J.P. Grant	March 15, 2016
Name:	J.P. Grant	
Title:	Director	
By:	/s/ Frederick W. Puddester	March 15, 2016
Name:	Frederick W. Puddester	
Title:	Director	

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

MMA Capital Management, LLC:

We have audited the accompanying consolidated balance sheets of MMA Capital Management, LLC and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of operations, comprehensive loss, equity, and cash flows for each of the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MMA Capital Management, LLC and subsidiaries as of December 31, 2015 and 2014, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), MMA Capital Management, LLC's internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 15, 2016 expressed an adverse opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Baltimore, Maryland
March 15, 2016

MMA Capital Management, LLC

CONSOLIDATED BALANCE SHEETS

(in thousands, except share data)

	At December 31, 2015	At December 31, 2014
ASSETS		
Cash and cash equivalents	$ 21,843	$ 29,619
Restricted cash (includes $22,992 and $24,186 related to consolidated funds and ventures ("CFVs"))	40,033	50,189
Bonds available-for-sale (includes $174,961 and $144,611 pledged as collateral)	218,439	222,899
Investments in partnerships (includes $177,786 and $231,204 related to CFVs)	260,441	259,422
Investment in preferred stock (includes $0 and $31,371 pledged as collateral)		31,371
Other assets (includes $6,417 and $161 pledged as collateral and $18,834 and $11,128 related to CFVs)	58,315	75,246
Total assets	$ 599,071	$ 668,746
LIABILITIES AND EQUITY		
Debt (includes $9,883 and $6,712 related to CFVs)	$ 242,095	$ 290,543
Accounts payable and accrued expenses	5,001	5,538
Unfunded equity commitments to lower tier property partnerships related to CFVs	8,203	9,597
Other liabilities (includes $28,233 and $31,831 related to CFVs)	47,551	41,870
Total liabilities	$ 302,850	$ 347,548
Commitments and contingencies (see Note 11)		
Equity		
Noncontrolling interests in CFVs, International Housing Solution ("IHS") and IHS Property Management ("IHS PM") (net of $0 and $575 of subscriptions receivable)	$ 180,051	$ 229,714
Common shareholders’ equity:		
Common shares, no par value (6,516,275 and 7,162,221 shares issued and outstanding and 72,476 and 66,106 non-employee directors' and employee deferred shares issued at December 31, 2015 and 2014, respectively)	47,755	35,032

Accumulated other comprehensive income ("AOCI")	68,415	56,452
Total common shareholders' equity	116,170	91,484
Total equity	296,221	321,198
Total liabilities and equity	$ 599,071	$ 668,746

The accompanying notes are an integral part of these consolidated financial statements

MMA Capital Management, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands)

	For the year ended December 31, 2015	2014
Interest income		
Interest on bonds	$ 12,728	$ 16,493
Interest on loans and short-term investments	2,383	1,114
Total interest income	15,111	17,607
Interest expense		
Bond related debt	1,336	2,392
Non-bond related debt	1,002	728
Total interest expense	2,338	3,120
Net interest income	12,773	14,487
Non-interest revenue		
Income on preferred stock investment	4,353	5,260
Asset management fees and reimbursements	6,807	3,580
Other income	2,517	1,816
Revenue from CFVs	988	16,494
Total non-interest revenue	14,665	27,150
Total revenues, net of interest expense	27,438	41,637
Operating and other expenses		
Interest expense	7,293	13,776
Salaries and benefits	15,733	12,708
General and administrative	3,223	3,447
Professional fees	3,967	5,372
Other expenses	7,457	3,482
Expenses from CFVs	37,797	90,435
Total operating and other expenses	75,470	129,220
Net gains on real estate	11,253	882
Net gains on bonds	6,513	12,293
Net gains on derivatives and loans	4,146	4,293
Net gains on investment in preferred stock	5,242	
Net gains on extinguishment of liabilities	4,175	1,899
Net gains transferred into net income from AOCI due to real estate foreclosure		2,003
Equity in income from unconsolidated funds and ventures	865	6,738
Net gains related to consolidated funds and ventures	853	15,227
Equity in losses from lower tier property partnerships of CFVs	(22,219)	(32,730)
Net losses due to deconsolidation of CFVs		(23,867)

Net loss from continuing operations before income taxes	(37,204)	(100,845)
Income tax (expense) benefit	(263)	45
Net income from discontinued operations, net of tax	327	17,901
Net loss	(37,140)	(82,899)
Loss allocable to noncontrolling interests:		
Net losses allocable to noncontrolling interests in CFVs, IHS and IHS PM:		
Related to continuing operations	54,983	100,216
Related to discontinued operations		150
Net income allocable to common shareholders	$ 17,843	$ 17,467

The accompanying notes are an integral part of these consolidated financial statements

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MMA Capital Management, LLC

CONSOLIDATED STATEMENTS OF OPERATIONS – (continued)

(in thousands, except per share data)

	For the year ended December 31, 2015	2014
Basic income per common share:		
Income (loss) from continuing operations	$ 2.55	$ (0.08)
Income from discontinued operations	0.04	2.36
Income per common share	$ 2.59	$ 2.28
Diluted income per common share:		
Income (loss) from continuing operations	$ 2.55	$ (0.08)
Income from discontinued operations	0.04	2.36
Income per common share	$ 2.59	$ 2.28
Weighted-average common shares outstanding:		
Basic	6,881	7,647
Diluted	6,881	7,647

The accompanying notes are an integral part of these consolidated financial statements

MMA Capital Management, LLC

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(in thousands)

	For the year ended December 31,	
	2015	2014
Net income allocable to common shareholders	$ 17,843	$ 17,467
Net loss allocable to noncontrolling interests	(54,983)	(100,366)
Net loss	$ (37,140)	$ (82,899)
Other comprehensive income allocable to common shareholders		
Bond related changes:		
Unrealized net gains	$ 19,257	$ 19,584
Reversal of net unrealized gains on sold or redeemed bonds	(4,992)	(11,303)
Reclassification of unrealized losses to operations due to impairment	179	