

MUNICIPAL MORTGAGE & EQUITY LLC
Form 8-K
August 05, 2009

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of Earliest Event Reported):

July 30, 2009

Municipal Mortgage & Equity, LLC

(Exact name of registrant as specified in its charter)

Delaware

001-11981

52-1449733

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(I.R.S. Employer
Identification No.)

621 E Pratt Street, Suite 300, Baltimore,
Maryland

21202

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(443) 263-2900

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 8.01 Other Events.

On July 30, 2009, MMA Financial Holdings, Inc. ("MFH"), a subsidiary of Municipal Mortgage & Equity, LLC (the "Company"), entered into (a) an exchange agreement (the "Exchange Agreement") with Taberna Preferred Funding II, Ltd. ("Taberna ") and (b) a junior subordinated indenture with The Bank of New York Mellon Trust Company, National Association, as trustee (the "Indenture " and, together with the Exchange Agreement, the "Exchange Documents"). Pursuant to the Exchange Documents, (a) Taberna exchanged trust preferred securities with a liquidation preference of \$23,750,000 that had been issued by MFH Capital Trust 2, a trust formed by MFH, and backed by a Junior Subordinated Note due 2035 in the same principal amount that had been issued by MFH (the "Original Trust 2 Note") for \$28,975,000 principal amount of Junior Subordinated Notes due April 30, 2035 issued by MFH (the "New Series II Notes") and (b) Taberna exchanged trust preferred securities with a liquidation preference of \$13,750,000 that had been issued by MFH Capital Trust 3, a trust formed by MFH, and backed by a Junior Subordinated Note due 2035 in the same principal amount that had been issued by MFH (the "Original Trust 3 Note" and together with the Original Trust 2 Note, the "Original Notes") for \$16,775,000 principal amount of Junior Subordinated Notes due July 30, 2035 issued by MFH (the "New Series III Notes" and, together with the New Series II Notes, the "New Notes"). A proportionate amount of the Original Notes backing the exchanged trust preferred securities were cancelled in connection with the exchange described herein.

The New Notes carry a reduced interest rate of 0.75% per annum payable quarterly in accordance with the terms of the Original Notes for a period of three years beginning on May 1, 2009 (the "Modification Period"), and thereafter at the same rates as the Original Notes (8.05%, adjusting to floating LIBOR plus 3.30% following April 30, 2015, for the New Series II Notes and 7.62%, adjusting to floating LIBOR plus 3.30% following April 30, 2015, for the New Series III Notes). During the Modification Period, the cure period for a default in the payment of interest is reduced to 5 business days. With respect to the New Series II Notes, principal is payable in two installments: \$4,242,463 payable on June 30, 2014, and \$24,732,537 payable on April 30, 2035. With respect to the New Series III Notes, principal is payable in two installments: \$2,304,803 payable on July 30, 2014, and \$14,470,197 payable on July 30, 2035.

The New Notes are ranked senior to the Original Notes and certain other notes and guarantees backing trust preferred securities issued by subsidiary trusts of MFH. The New Notes rank pari passu in right of payment with other MFH notes issued in exchange for trust preferred securities issued by subsidiary trusts of MFH on a substantially similar economic basis. The New Notes are guaranteed by the Company on a substantially similar basis as the Company's guarantee of the Original Notes.

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SIGNATURES

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

Municipal Mortgage & Equity, LLC

August 5, 2009

By: */s/ Michael L. Falcone*

Name: Michael L. Falcone

Title: President and CEO