

Morgan Stanley and National Equity Fund Expand Rebuilding Local Economies Fund to \$125 Million

NEW YORK AND CHICAGO, Jul. 30 /CSRwire/ - Morgan Stanley (NYSE: MS) and National Equity Fund Inc. (NEF) are extending their capacity to support disaster area recovery with an additional \$25 million in capital and a broader geographic reach for the Rebuilding Local Economies fund they launched in 2011.

The \$125 million fund supports development of affordable housing - including green, energy-efficient housing - in devastated areas to help jump-start economic activity and replace homes lost to tornados and floods over the last year. The fund covers Federal Emergency Management Agency (FEMA)-declared windstorm and rainstorm disaster areas in 27 states, with West Virginia and additional counties in Indiana, Kentucky and Tennessee added in response to storms in February and March of this year.

The capital is focused on Low Income Housing Tax Credit (LIHTC) projects, which utilize federal housing credits as part of their financing structure. Developers sell the housing credits that they are allocated through a competitive process to syndicators like NEF - which raise capital and asset-manage projects - or directly to investors themselves. That equity funds the development of affordable housing for families, seniors and residents with special needs earning 60 percent or less of their area's median income.

"Morgan Stanley is committed to fostering long-term, sustainable economic growth in the communities and states in which we do business," said Mike Mantle, Senior Advisor in Morgan Stanley Global Sustainable Finance. "We are pleased that the Rebuilding Local Economies fund has already led to job creation and affordable housing opportunities for communities facing tough economic conditions in the midst of natural disaster."

When all \$125 million is invested, the fund will have supported the development of approximately 1,000 units of affordable housing and the creation of thousands of construction and permanent jobs. To date, approximately \$90 million has been committed to projects in several disaster areas, including Warren, Ark., Newington, Conn. and Guthrie, Okla.

In Guthrie, a suburb of Oklahoma City severely impacted by tornados last May, NEF is working with local developers on a 40-unit development of single-family rental homes.

"Guthrie needs more affordable housing, and it needs the economic activity that comes with it," said Tom Tibbetts, President of Express Development, co-developer of the project. "This development doesn't just benefit the families who will live here - it also gives a significant boost to the neighbors and businesses that surround it."

In Minot, N.D., a town in northern North Dakota struck by historic flooding last June, NEF committed funding in support of Artspace Projects, Inc. on a downtown project for low-income artists and their families, with each of the 32 units having accompanying art studio space, including gallery space dedicated to the exhibition of Native American art.

"The city was devastated by the flood. With this new development we are not only trying to meet a housing need for low-income families, but to help maintain the arts and cultural heritage of the community," said Heidi Kurtze, Vice President of Artspace. "Bringing creative households and businesses into the downtown area will help fuel more economic development in the city's core."

NEF, a national nonprofit and the largest national syndicator of Low Income Housing Tax Credits, is managing the Rebuilding Local Economies fund and has made \$4 million in predevelopment capital available to help expedite projects in which the fund invests.

States with disaster counties currently covered by the Rebuilding Local Economies Fund are:

Alabama	Arkansas
Connecticut	Georgia
Idaho	Illinois
Indiana	Iowa
Kentucky	Massachusetts
Minnesota	Mississippi
Missouri	Montana
New Hampshire	New Jersey
New York	North Carolina
North Dakota	Oklahoma
Pennsylvania	Rhode Island
South Dakota	Tennessee
Vermont	Virginia
West Virginia	

“Affordable housing development can help underpin economic recovery in communities still reeling from disaster devastation,” noted Joe Hagan, NEF President and CEO. “Morgan Stanley continues to ensure that projects in these areas have access to the capital they need to move forward. And they’ve focused on making sure these new developments have the

capacity to include energy efficiency and healthy building options which offers long-term benefits for residents, building owners and the larger community.”

For more information about project investments or to make an inquiry about a particular need, please contact NEF’s Laura Nelson, 312-697-6189 or lnelson@nefinc.org.

About Morgan Stanley

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About NEF

National Equity Fund, Inc. (NEF) is a nonprofit Chicago-based affiliate of the Local Initiatives Support Corporation (LISC) and the nation’s largest syndicator of Low Income Housing Tax Credits. Over 25 years, NEF has invested \$9.5 billion in more than 2,100 LIHTC projects that have built and preserved 127,000 homes affordable to low-income families and individuals. For more information, visit www.nefinc.org or www.lisc.org.

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