

REPORT FROM OPIC MANAGEMENT TO THE BOARD OF DIRECTORS

SECTION I: NON-CONFIDENTIAL PROJECT INFORMATION

Name of Fund	International Housing Sector Fund (the “Fund”), registered as a Luxembourg venture capital fund.
Fund Sponsor(s):	The Fund Sponsor is International Housing Solutions (“IHS”), a joint venture between: (1) MuniMae (“MMA”), a publicly listed, real estate finance company headquartered in Baltimore, MD; and, (2) Frank Gormley, chairman of Howard Eurocape Limited, a real estate development firm based in Dublin, Ireland, with projects in the UK, Ireland, Poland and South Africa. (collectively, the “Sponsors”). The General Partner is International Housing Solutions Fund Management Company, (“IHSFMC”), registered in Luxembourg.
Fund Description:	The Fund’s objective is to provide private investment capital and affordable housing finance experience to markets that are experiencing rapid growth in housing demand with acute housing needs at the lower end of the income spectrum. The Fund will have a primary focus on the supply constrained housing markets in South Africa and the Hashemite Kingdom of Jordan (where together up to 60% of the Fund’s total investments are planned, with a minimum of 15% in Jordan), and a secondary focus on other countries in Africa and the Middle East.
Target Fund Capitalization:	\$300 million, of which OPIC will provide up to one third of the total capitalization with a maximum of \$100 million.
Proposed OPIC Loan:	Up to \$100 million in principal, plus accrued and accreted interest.
Term of Fund:	Ten-year fund with two one-year extensions.
Selection Process	Working with the consultant Pension Consulting Alliance (“PCA”), the Evaluation Committee (“EC”) selected the Fund through a Global Housing Call for Proposals (the “Call”) launched July 1, 2006, by OPIC’s Investment Funds Department (“IFD”). The Call generated 19 proposals for various housing related strategies around the world. The EC short-listed 7 proposals for due diligence by IFD and eventually selected 6 proposals (including one with contingencies) as meeting the criteria outlined in the Call.
Developmental Effects:	Due to the Fund’s significant focus in very low-income housing, it will have a strong development effect in broadening the housing market and expanding the homeownership base of the target countries.

	<p>The Fund is also expected to stimulate new residential construction and facilitate the renewal of urban areas. Upon the successful completion of the Fund, it will serve as a catalyst to attract future investment capital to the target countries by demonstrating the possibility of profitable ventures to very low income housing markets and demonstrating the success of mixed-income and mixed-use housing developments.</p>
Environment:	<p>The Fund will be required to ensure that all applicable OPIC statutory and policy requirements are met with respect to environmental issues for each portfolio company investment in which the Fund invests using the proceeds of the OPIC loan.</p>