

Contact: **Judd S. Levy**
The Community Development Trust
1350 Broadway, Suite 700
New York, NY 10018-7702

Phone: 212-271-5099
Fax: 212-271-5079



Press Release

CDT COMPLETES \$64 MILLION 4.25% CONVERTIBLE PREFERRED OFFERING

NEW YORK, NY - December 12, 2006 – The Community Development Trust (CDT), the country's only real estate investment trust (REIT) dedicated to investing in affordable housing, today announced that it has completed a private offering of 4.25% Cumulative Perpetual Convertible Preferred Shares. The proceeds will be used to expand the company's acquisition of debt and equity assets, primarily in affordable housing, that qualify as eligible investments under the Community Reinvestment Act (CRA).

The issue was originally sized at \$50 million. As the issue was oversubscribed, the company raised the offering level and closed at \$64 million. Approximately \$16 million of the proceeds will be used to repurchase CDT common stock issued in earlier offerings in 1999 and 2003. Approximately \$48 million will be used to fund the company's growing debt and equity businesses over the next 30-36 months. This equity capital will allow CDT to finance over \$1 billion in community development assets. The company currently has approximately \$600 million invested or committed in 38 states across the country.

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According to Peter Weidhorn, Chairman of the Board of CDT, “The unexpected demand for the convertible issue is a testament to our unique ability to make prudent CRA-qualified investments while generating market rates of return to our investors.” Weidhorn added, “We were able to create additional share-holder value by marketing and closing the issue without a placement agent, enabling us to deploy nearly all of the proceeds into new, CRA-qualified investments.”

The Community Development Trust (CDT) was developed with seed capital from LISC, the nation’s largest nonprofit community development intermediary, to further LISC’s broad support for community development initiatives and finance.

CDT’s management and staff have extensive experience in the field of community development finance. CDT’s 15-member Board of Directors includes leaders in the community development and finance industries.

CDT makes long-term equity investments in properties and provides a secondary market for permanent fixed-rate mortgages. CDT will also invest debt and equity capital in retail, commercial, and other projects located in community development areas. As a mission-oriented REIT, CDT’s charter requires that it invest in assets that meet the requirements of the Community Reinvestment Act of 1977 as amended. More information about CDT is available on the Internet at <http://www.cdt.biz>.

Investors in Current Offering

Banc of America
Chase Community Development Corporation
Citibank Community Development
Deutsche Bank
HSBC Bank USA, N.A.
Key Community Development Corporation
MetLife
Prudential Financial
Wachovia Corporation
Wells Fargo

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