
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): April 12, 2007

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-24843
(Commission File Number)

47-0810385
(IRS Employer
Identification No.)

1004 Farnam Street, Suite 400, Omaha, Nebraska
(Address of principal executive offices)

68102
(Zip Code)

Registrant's telephone number, including area code: **(402) 444-1630**

Not applicable
(Former name, former address and former fiscal year, if applicable)

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 *see* General Instruction A.2. below):

- ☐ 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 1.01 Entry into a Material Definitive Agreement.

On April 12, 2007, America First Tax Exempt Investors, L.P., a Delaware limited partnership (the “Registrant”) entered into a financing arrangement whereby the Registrant’s \$6.5 million tax-exempt mortgage bond secured by Ashley Square Apartments in Des Moines, Iowa and \$6.8 million tax-exempt mortgage bond secured by Bella Vista Apartments in Gainesville, Texas (the “Bonds”) were placed in separate trusts (the “Trusts”) under the terms of a Custody and Participation Agreement by and between Registrant, U.S. Bank National Association as trustee and Merrill Lynch, Pierce, Fenner & Smith Incorporated (“Merrill Lynch”) (the “Trust Agreement”). The Trusts issued senior securities (known as “P-Floats”) to unaffiliated institutional investors and subordinated residual interest securities (known as “RITES”) to the Registrant. The Registrant received the net proceeds of approximately \$13.3 million from the sale of the P-Floats. These funds are available to the Registrant for investment in additional tax-exempt mortgage bonds and other investments consistent with its investment policies and for other partnership purposes. The Registrant maintains a call option on the senior P-Float securities which allows it to collapse the Trust at any time. Accordingly, the Registrant retains a level of control over the underlying Bond that allows it to account for this transaction as secured variable-rate borrowing.

There is no affiliation between the Registrant and Merrill Lynch and the terms of the financing were determined through arm’s-length negotiation.

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.

Dated: April 25, 2007

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

By: America First Capital Associates Limited Partnership Two,
its general partner

By: The Burlington Capital Group, LLC,
its general partner

By: /s/ Michael J. Draper
Michael J. Draper, Chief Financial Officer