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

FORM 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2006

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 000-24843

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	47-0810385 (I.R.S. Employer Identification No.)
1004 Farnam Street, Suite 400 Omaha, Nebraska (Address of principal executive offices)	68102 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES ☑ NO ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
YES ☐ NO ☑

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):
Large accelerated filer ☐ Accelerated filer ☐ Non- accelerated filer ☑

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Forward-Looking Statements

This report (including, but not limited to, the information contained in "Management's Discussion and Analysis of Financial Condition and Results of Operations") contains forward-looking statements that reflect management's current beliefs and estimates of future economic circumstances, industry conditions, the Company's performance and financial results. All statements, trend analysis and other information concerning possible or assumed future results of operations of the Company and the investments it has made constitute forward-looking statements. Beneficial Unit Certificate ("BUC") holders and others should understand that these forward-looking statements are subject to numerous risks and uncertainties and a number of factors could affect the future results of the Company and could cause those results to differ materially from those expressed in the forward-looking statements contained herein. These factors include general economic and business conditions such as the availability and credit worthiness of prospective tenants, lease rents, operating expenses, the terms and availability of financing for properties financed by the tax-exempt mortgage revenue bonds owned by the Partnership, adverse changes in the real estate markets from governmental or legislative forces, lack of availability and credit worthiness of counterparties to finance future acquisitions and interest rate fluctuations.

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	March 31, 2006	December 31, 2005
Assets		
Cash and cash equivalents	$ 10,938,083	$ 3,298,605
Restricted cash	3,571,366	3,116,340
Interest receivable	92,950	142,816
Tax-exempt mortgage revenue bonds	17,068,854	17,033,964
Other tax-exempt bond	4,800,000	12,000,000
Real estate assets:		
Land	7,280,555	7,280,555
Buildings and improvements	75,257,535	75,215,802
Real estate assets before accumulated depreciation	82,538,090	82,496,357
Accumulated depreciation	(26,517,737)	(25,903,267)
Net real estate assets	56,020,353	56,593,090
Other assets	1,678,238	1,858,374
Assets of discontinued operations	17,401,040	17,530,935
Total Assets	$ 111,570,884	$ 111,574,124
Liabilities and Partners’ Capital		
Liabilities		
Accounts payable, accrued expenses and other liabilities	$ 6,825,469	$ 5,917,600
Distribution payable	1,341,535	1,341,534
Debt financing	45,990,000	45,990,000
Liabilities of discontinued operations	18,610,000	18,685,000
Total Liabilities	72,767,004	71,934,134
Commitments and Contingencies		
Partners’ Capital		
General Partner	176,392	178,058
Beneficial Unit Certificate (“BUC”) holders	88,662,394	88,827,326
Unallocated deficit of variable interest entities	(50,034,906)	(49,365,394)
Total Partners’ Capital	38,803,880	39,639,990
Total Liabilities and Partners’ Capital	$ 111,570,884	$ 111,574,124

The accompanying notes are an integral part of the financial statements.

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AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	For the Three Months Ended, March 31, 2006	March 31, 2005
Income:		
Rental revenues	$ 3,400,436	$ 3,273,535
Mortgage revenue bond investment income	265,050	265,425
Other interest income	131,808	49,218
Gain on sale of securities	—	126,750
	3,797,294	3,714,928
Expenses:		
Real estate operating (exclusive of items shown below)	2,124,199	1,892,475
Depreciation and amortization	613,253	661,563
Interest	384,482	131,870
General and administrative	408,284	382,792
	3,530,218	3,068,700
Income from continuing operations	$ 267,076	$ 646,228
Income from discontinued operations	193,459	156,886
Net income	$ 460,535	$ 803,114
Net income allocated to:		
General Partner	$ 11,300	$ 16,232
BUC holders	1,118,747	1,607,002
Unallocated deficit of variable interest entities	(669,512)	(820,120)
	$ 460,535	$ 803,114
BUC holders' interest in net income per unit (basic and diluted):		
Income from continuing operations	$ 0.11	$ 0.16
Income from discontinued operations	—	—
Net income, basic and diluted, per unit	$ 0.11	$ 0.16
Weighted average number of units outstanding, basic and diluted	9,837,928	9,837,928

The accompanying notes are an integral part of the financial statements.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

CONSOLIDATED STATEMENT OF PARTNERS' CAPITAL AND COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2006
(UNAUDITED)

	General Partner	Beneficial Unit Certificate holders # of Units	Beneficial Unit Certificate holders Amount	Unallocated deficit of variable interest entities	Total	Accumulated Other Comprehensive Loss
Partners' Capital (excluding accumulated other comprehensive income)						
Balance at January 1, 2006	$ 178,058	9,837,928	$ 88,827,326	$ (49,365,394)	$ 39,639,990	(642,703)
Net income (loss)	11,300		1,118,747	(669,512)	460,535	
Unrealized gain on securities	449		44,441	—	44,890	44,890
Total comprehensive income					$ 505,425	
Distributions paid or accrued	(13,415)		(1,328,120)	—	(1,341,535)	
Balance at March 31, 2006	$ 176,392	9,837,928	$ 88,662,394	$ (50,034,906)	$ 38,803,880	(597,813)

The accompanying notes are an integral part of the financial statement.

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AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the three months ended March 31, 2006	March 31, 2005
Operating activities:		
Net income	$ 460,535	$ 803,114
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	748,089	952,297
Gain on sale of securities	—	(126,750)
Decrease in interest receivable	49,866	91,299
Increase (decrease) in other assets	287,218	(582,784)
Increase (decrease) in accounts payable, accrued expenses and other liabilities	452,844	(505,822)
Net cash provided by operating activities	1,998,552	631,354
Investing activities:		
Acquisition of tax-exempt revenue bonds	(12,000,000)	—
Proceeds from the sale of other tax-exempt bonds	19,200,000	4,026,750
Increase in restricted cash	(455,026)	(1,388,661)
Capital expenditures	(152,539)	(30,831)
Principal payments received on tax-exempt bonds	10,000	—
Increase in cash due to consolidation of VIEs	—	5,000
Net cash provided by investing activities	6,602,435	2,612,258
Financing activities:		
Distributions paid	(1,341,535)	(1,341,536)
Principal payments on debt financing and note payable	(75,000)	(72,500)
Increase in liabilities related to restricted cash	455,026	788,661
Net cash used in financing activities	(961,509)	(625,375)
Net increase in cash and cash equivalents	7,639,478	2,618,237
Cash and cash equivalents at beginning of period	3,298,605	2,317,342
Cash and cash equivalents at end of period	$ 10,938,083	$ 4,935,579
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	$ 342,559	$ 175,041
Distributions declared but not paid	$ 1,341,535	$ 1,341,536

The accompanying notes are an integral part of the financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(UNAUDITED)

1. Basis of Presentation

America First Tax Exempt Investors, L.P. (the "Partnership") was formed on April 2, 1998 under the Delaware Revised Uniform Limited Partnership Act for the purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments. The Partnership will terminate on December 31, 2050 unless terminated earlier under the provisions of its Limited Partnership Agreement. The general partner of the Partnership is America First Capital Associates Limited Partnership Two (the "General Partner" or "AFCA 2").

The consolidated financial statements include the accounts of the Partnership and of the variable interest entities ("VIEs") in which the Partnership has been determined to be the primary beneficiary. In this Form 10-Q, "the Partnership" refers to America First Tax Exempt Investors, L.P. as a stand-alone entity and "the Company" refers to the Partnership and the VIEs on a consolidated basis. All significant transactions and accounts between the Partnership and the VIEs have been eliminated in consolidation. The Partnership does not presently believe that the consolidation of VIEs for reporting under accounting principles generally accepted in the United States of America ("GAAP") will impact the Partnership's tax status, amounts reported to BUC holders on IRS Form K-1, the Partnership's ability to distribute tax-exempt income to BUC holders, the current level of quarterly distributions or the tax-exempt status of the underlying mortgage revenue bonds.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The accompanying interim unaudited consolidated financial statements have been prepared according to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted according to such rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. The consolidated financial statements should be read in conjunction with the financial statements and notes thereto included in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005. In the opinion of management, all normal and recurring adjustments necessary to present fairly the financial position as of March 31, 2006, and the results of operations for all periods presented have been made. The results of operations for the interim periods are not necessarily indicative of the results to be expected for the full year.

The Company's Consolidated Statement of Cash Flows for the three months ended March 31, 2005, reflects a change in the classification of restricted cash from a financing activity to an investing activity and a change in liabilities related to restricted cash from an operating activity to a financing activity. The reclassification was made in order to conform to the current year presentation.

2. Partnership Income, Expenses and Cash Distributions

The Agreement of Limited Partnership of the Partnership contains provisions for the distribution of Net Interest Income, Net Residual Proceeds and Liquidation Proceeds, for the allocation of income or loss from operations and for the allocation of income and loss arising from a repayment, sale or liquidation of investments. Income and losses will be allocated to each BUC holder on a periodic basis, as determined by the General Partner, based on the number of BUCs held by each BUC holder as of the last day of the period for which such allocation is to be made. Distributions of Net Interest Income and Net Residual Proceeds will be made to each

BUC holder of record on the last day of each distribution period based on the number of BUCs held by each BUC holder as of such date.

The unallocated deficit of the VIEs is primarily comprised of the accumulated historical net losses of the VIEs as of January 1, 2005 and the VIEs' net losses since the implementation of FIN 46R "Accounting for Variable Interest Entities" as of January 1, 2005. The cumulative effect of the change in accounting principle, excluding the reversal of the allowance for loan losses related to losses recorded on the Partnership's balance sheet prior to the adoption of FIN 46R, as well as the losses recognized by the VIEs, are not allocated to the General Partner and BUC holders as such activity is not contemplated by, or addressed in, the Agreement of Limited Partnership.

Cash distributions are currently made on a quarterly basis but may be made on a monthly or semiannual basis at the election of AFCA 2.

3. Investments in Tax-Exempt Bonds

The Company had the following investments in tax-exempt mortgage revenue bonds as of date shown:

	March 31, 2006			
Description of Tax-Exempt Mortgage Revenue Bonds	Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Chandler Creek Apartments	$ 11,500,000	$ —	$ (131,100)	$ 11,368,900
Clarkson College	6,166,667	—	(466,713)	5,699,954
	$ 17,666,667	$ —	$ (597,813)	$ 17,068,854

	December 31, 2005			
Description of Tax-Exempt Mortgage Revenue Bonds	Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
Chandler Creek Apartments	$ 11,500,000	$ —	$ (141,450)	$ 11,358,550
Clarkson College	6,176,667	—	(501,253)	5,675,414
	$ 17,676,667	$ —	$ (642,703)	$ 17,033,964

Unrealized gains or losses on these tax-exempt bonds are recorded to reflect quarterly changes in their fair value resulting from market conditions and fluctuations in the present value of the expected cash flows from the underlying properties of the bonds. The Chandler Creek bonds are in technical default and interest is being paid on these bonds at a rate below the current market rate pursuant to a forbearance agreement. The current unrealized losses on both bonds are not considered to be other-than-temporary because the Company has the intent and ability to hold these securities until their value recovers or until maturity, if necessary. The unrealized loss will continue to fluctuate each reporting period based on the market conditions and present value of the expected cash flow.

During the three months ended March 31, 2006, the Company sold approximately $19.2 million of other tax-exempt bonds with no gain or loss recognized on the sale of these bonds.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(UNAUDITED)

4. Debt Financing and Note Payable

The Company's debt financing of $45,990,000 bears interest at a weekly floating bond rate plus remarketing, credit enhancement, liquidity and trustee fees which averaged 4.1% and 3.4% in the aggregate for the three months ended March 31, 2006 and 2005, respectively. The note payable of $18,610,000 (included in liabilities of discontinued operations) relates to Northwoods Lake Apartments and matures in June 2034. The interest rate is fixed through June 2014 at 4.99%. Subsequent to June 2014, the rate converts to a variable interest rate.

5. Related Party Transactions

The General Partner is entitled to receive an administrative fee from the Company up to 0.45% of the outstanding principal balance of any tax-exempt mortgage revenue bond or other mortgage investment, unless another third party is required to pay such administrative fee. For the three months ended March 31, 2006, the Company's administrative fees to the General Partner were $78,374. For the three months ended March 31, 2005, the Company's administrative fees to the General Partner were $100,649.

An affiliate of the General Partner was retained to provide property management services for Ashley Pointe, Ashley Square, Bent Tree Apartments, Chandler Creek Apartments, Clarkson Student Housing, Fairmont Oaks Apartments, Iona Lakes Apartments, Lake Forest Apartments, and Northwoods Lake Apartments. The management fees paid by the property owners to the affiliate of the General Partner amounted to $165,885 for the three months ended March 31, 2006, and $182,154 for the three months ended March 31, 2005. These property management fees are paid by the respective properties prior to the payment of any interest on the tax-exempt mortgage revenue bonds and taxable loans held by the Partnership on these properties.

6. Interest Rate Cap Agreements

The Company has three interest rate cap agreements with a combined notional amount of $45,000,000 in order to mitigate its exposure to increases in interest rates on its variable-rate debt financing. The terms of the cap agreements are as follows:

Notional Amount	Effective Date	Expiration Date	Cap Rate (1)	Premium Paid
$20,000,000	July 1, 2002	July 1, 2006	3.0%	$ 489,000
$10,000,000	November 1, 2002	November 1, 2007	3.0%	$ 250,000
$15,000,000	February 1, 2003	January 1, 2010	3.5%	$ 608,000

(1) The cap rate does not reflect remarketing, credit enhancement, liquidity and trustee fees which aggregate to approximately 90 basis points.

These interest rate caps do not qualify for hedge accounting, accordingly, they are carried at fair value, with changes in fair value included in current period earnings within interest expense. The change in the fair value of derivative contracts resulted in reduction of interest expense of approximately $65,000 for the three months ended March 31, 2006, and a reduction of interest expense of $161,000 for the three months ended March 31, 2005.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(UNAUDITED)

7. Segment Reporting

The Company has two reportable segments, the Partnership and the VIEs. In addition to the two reportable segments, the Company also separately reports its consolidating and eliminating entries since it does not allocate certain items to the segments.

The Partnership Segment

The Partnership operates for the purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments.

The VIE segment

As a result of the effect of FIN 46R, management more closely monitors and evaluates the financial reporting associated with and the operations of the VIEs. Management performs such evaluation separately from the operations of the Partnership through interaction with the property management company which manages the VIEs' multifamily apartment properties. Management effectively manages the Partnership and the VIEs as separate and distinct businesses.

The VIEs' primary operating strategy focuses on multifamily apartment properties as long-term investments. The VIEs' operating goal is to generate increasing amounts of net rental income from these properties that will allow it to service debt. In order to achieve this goal, management of these multifamily apartment properties is focused on: (i) maintaining high economic occupancy and increasing rental rates through effective leasing, reduced turnover rates and providing quality maintenance and services to maximize resident satisfaction; (ii) managing operating expenses and achieving cost reductions through operating efficiencies and economies of scale generally inherent in the management of a portfolio of multiple properties; and (iii) emphasizing regular programs of repairs, maintenance and property improvements to enhance the competitive advantage and value of its properties in their respective market areas. As of March 31, 2006, the Company reported the assets and financial results of eight VIE multifamily apartment properties containing a total of 1,764 rental units. The VIEs' multifamily apartment properties are located in the states of Iowa, Indiana, Florida, Georgia, Kentucky and South Carolina.

The following table details certain key financial information for the Company's reportable segments for the periods ending March 31, 2006 and 2005:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(UNAUDITED)

	March 31, 2006	March 31, 2005
Total revenues		
Partnership	$ 1,926,376	$ 2,249,339
VIEs	3,400,436	3,273,535
Consolidation/eliminations	(1,529,518)	(1,807,946)
Total revenues	$ 3,797,294	$ 3,714,928
Net income (loss)		
Partnership	$ 1,130,047	$ 1,623,234
VIEs	(1,441,299)	(1,732,315)
Consolidation/eliminations	771,787	912,195
Net income (loss)	$ 460,535	$ 803,114

8. Discontinued Operations and Assets Held for Sale

During 2005, the Partnership sold a 316-unit multi-family housing project located in West Palm Beach, Florida known as Clear Lake Colony Apartments ("Clear Lake"). Prior to the sale of Clear Lake, the property met the criteria under SFAS No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" as a discontinued operation. Therefore, the operations of Clear Lake are classified as a discontinued operation in the consolidated results of operations for the period ending March 31, 2005.

As of March 31, 2006 the Company designated Northwoods Lake Apartments in Duluth, Georgia as a discontinued operation under SFAS No. 144 and it is classified as such in the consolidated results of operations for the period ended March 31, 2006 and March 31, 2005. The following table presents a balance sheet for the assets and liabilities of the discontinued operations as of March 31, 2006 and December 31, 2005:

	March 31, 2006	Dec. 31, 2005
Land	$ 3,787,500	$ 3,787,500
Buildings and improvements	21,720,420	21,720,420
Real estate assets before accumulated depreciation	25,507,920	25,507,920
Accumulated depreciation	(8,106,880)	(7,976,985)
Total assets	17,401,040	17,530,935
Total liabilities	18,610,000	18,685,000
Net liabilities	$ 1,208,960	$ 1,154,065

The following table presents the revenues and net income for the discontinued operations for the three months ended March 31, 2006 and 2005:

	Three Months Ended March 31, 2006	2005
Rental Revenues	$ 1,004,668	$ 1,604,022
Expenses	811,209	1,447,136
Net Income	$ 193,459	$ 156,886

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2006
(UNAUDITED)

9. Subsequent Events

Subsequent to March 31, 2006, the Partnership acquired $6.8 million of tax-exempt bonds secured by Bella Vista Apartments in Gainesville, Texas ("Bella Vista Bonds"). The Bella Vista Bonds have a stated maturity of April 1, 2046 with a stated interest rate of 6.15%.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

In this Management's Discussion and Analysis, the "Partnership" refers to America First Tax Exempt Investors, L.P. as a stand-alone entity and the "Company" refers to the consolidated financial information of the Partnership and certain entities that own multifamily apartment projects financed with mortgage revenue bonds held by the Partnership that are treated as "variable interest entities" ("VIEs") because the Partnership has been determined to be the primary beneficiary.

Critical Accounting Policies

The Company's critical accounting policies are the same as those described in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005.

Results of Operations

Consolidated Results of Operations

The consolidated financial statements include the accounts of the Partnership and VIEs. All significant transactions and accounts between the Partnership and the VIEs have been eliminated in consolidation. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The following discussion of the Company's results of operations for the three months ended March 31, 2006 and 2005 should be read in conjunction with the consolidated financial statements and notes thereto included in Item 1 of this report as well as the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005.

Three Months Ended March 31, 2006 compared to Three Months Ended March 31, 2005 (Consolidated)

Change in Results of Operations

	For the three Months Ended March 31, 2006	For the three Months Ended March 31, 2005	Dollar Change
Revenues			
Rental revenues	$ 3,400,436	$ 3,273,535	$ 126,901
Mortgage revenue bond investment income	265,050	265,425	(375)
Other interest income	131,808	49,218	82,590
Gain on sale of securities	—	126,750	(126,750)
	3,797,294	3,714,928	82,366
Expenses			
Real estate operating (exclusive of items shown below)	2,124,199	1,892,475	231,724
Depreciation and amortization	613,253	661,563	(48,310)
Interest	384,482	131,870	252,612
General and administrative	408,284	382,792	25,492
	3,530,218	3,068,700	461,518
Income from continuing operations	$ 267,076	$ 646,228	$ (379,152)

Rental revenues. Rental revenues increased for the three months ended March 31, 2006 compared to the same period of 2005. Rental revenues increased by approximately $56 per unit per month during the first quarter of 2006 compared to the same period of 2005. Increased rental revenues at Fairmont Oaks, Iona Lakes, Northwoods and Lake Forest were primarily responsible for the overall increase in rental revenues. Offsetting these increases, were lower rental revenues experienced at Ashley Square and Bent Tree.

Mortgage revenue bond investment income. Mortgage revenue bond investment income during the first quarter of 2006 compared to the first quarter of 2005 was flat as there were no changes in the portfolio of mortgage revenue bonds. All interest payments on the mortgage revenue bonds were current during this period.

Other interest income. The increase in other interest income is attributable to temporary investment in liquid securities. The proceeds from the sale of Clear Lake Colonies that occurred in fourth quarter of 2005 created additional cash that was invested in short term liquid securities while the Company explored longer term options for the funds. Offsetting the increase in other interest income was the decrease in income from Museum Towers bonds. During the first quarter of 2005, the Company sold its investment in the Museum Tower tax-exempt bonds.

Gain on sale of securities. The Company sold its entire interest in the Museum Tower bonds during the first quarter of 2005. The carrying cost of the investment was $3,900,000 and the net proceeds from the sale were $4,026,750 resulting in a gain on the sale of securities of $126,750.

Real estate operating expenses. Real estate operating expenses are comprised principally of real estate taxes, property insurance, utilities, property management fees, repairs and maintenance, and salaries and related employee expenses of on-site employees. A portion of real estate operating expenses are fixed in nature, thus a decrease in physical and economic occupancy would result in a reduction in operating margins. Conversely, as physical and economic occupancy increase, the fixed nature of these expenses will increase operating margins as these real estate operating expenses would not increase at the same rate. Real estate expenses increased in the first quarter of 2006 compared to the same period of 2005. The increase in real estate operating expenses is reflective of the effort by the management of the properties to increase spending on repairs and maintenance in order to make the properties more attractive to current and potential tenants. In addition to increased market ready expenses, the properties also realized increased utility costs and increase salaries and benefits cost on certain properties.

Depreciation and amortization expense. Depreciation and amortization consist primarily of depreciation associated with the apartment properties of the consolidated VIEs. Depreciation and amortization expense decreased during the three months ended March 31, 2006 compared to the same period in 2005 primarily due to certain assets becoming fully depreciated.

Interest expense. Interest expense increased approximately $253,000 in the three month period ended March 31, 2006 compared to March 31, 2005. The increase in interest expense is primarily attributable to increasing interest rates on the Company's variable rate debt financing. Variable rate debt accounted for approximately 72% of our total outstanding debt as of March 31, 2006. For the three months ended March 31, 2006, the weighted average interest rate on our variable rate borrowings, excluding remarketing, credit enhancement, liquidity and trustee fees, increased to 3.3% compared to 2.6% for the same period of 2005.

The Company manages its interest rate risk on its debt financing by entering into interest rate cap agreements that cap the amount of interest expense it pays on its floating rate debt financing. The Company's interest rate cap agreements do not qualify for hedge accounting, therefore, any changes in the fair value of the caps are recognized in current period earnings. The fair value adjustments are classified as interest expense in the consolidated statements of operations. The fair value adjustment through earnings can cause a significant fluctuation in reported net income although it has no impact on the Company's cash flows. The changes in fair value of derivative contracts resulted in a reduction in interest expense of approximately $65,000 during the three months ended March 31, 2006 compared to a reduction in interest expense of approximately $161,000 during the three months ended March 31, 2005.

General and administrative expenses. General and administrative expenses were higher during the first quarter of 2006 compared to the same period in 2005 primarily due to higher salaries and legal fees.

Discontinued Operations. As of March 31, 2006, Northwoods Lake Apartments has been designated as held for sale. Accordingly, the results of operations for the periods presented have been reclassified to discontinued operations and disclosed as a single line item on the Statements of Operations. Income from discontinued operations was $193,459 and $156,886 for the three months ended March 31, 2006 and 2005, respectively. During 2005, the Company divested Clear Lake Colony Apartments. As a result, that property is also classified as discontinued operations for the three months ended March 31, 2005. Income from discontinued operations increased during the first quarter of 2006 compared to 2005 primarily due to increased income at Northwoods Lake Apartments. In addition, income from discontinued operation was negatively impacted by Clear Lake Colony Apartments by approximately $2,000 for the three months ended March 31, 2005.

Partnership Only Results of Operations

The Partnership was formed for the primary purpose of acquiring, holding, selling and otherwise dealing with a portfolio of federally tax-exempt mortgage revenue bonds which have been issued to provide construction and/or permanent financing of multifamily residential apartments. The Partnership's business objectives are to: (i) preserve and protect its capital; (ii) provide regular cash distributions to BUC holders; and (iii) provide a potential for an enhanced federally tax-exempt yield as a result of a participation interest in the net cash flow and net capital appreciation of the underlying real estate properties financed by the tax-exempt mortgage revenue bonds.

The Partnership is pursuing a business strategy of acquiring additional tax-exempt mortgage revenue bonds on a leveraged basis in order to: (i) increase the amount of tax-exempt interest available for distribution to its BUC holders; (ii) reduce risk through asset diversification and interest rate hedging; and (iii) achieve economies of scale. The Partnership seeks to achieve its investment growth strategy by investing in additional tax-exempt mortgage revenue bonds and related investments, taking advantage of attractive financing structures available in the tax-exempt securities market and entering into interest rate risk management instruments.

The Partnership's primary assets are its tax-exempt mortgage revenue bonds, which provide permanent financing for eleven multifamily housing properties. One of the multifamily housing properties is Northwoods Lake Apartments. As of March 31, 2006, Northwoods Lake is reflected as a discontinued operation in the consolidated financial statements of the Company. A description of the multifamily housing properties, excluding Northwoods Lake, collateralizing the tax-exempt mortgage revenue bonds owned by the Partnership as of March 31, 2006 is as follows:

Property Name	Location	Number of Units	Physical occupancy as of March 31,		Economic Occupancy for the three months ended March 31, (1)	
			2006	2005	2006	2005
Multifamily Housing — Consolidated Properties						
Ashley Pointe at Eagle Crest	Evansville, IN	150	92%	97%	87%	87%
Ashley Square	Des Moines, IA	144	90%	97%	84%	88%
Bent Tree Apartments	Columbia, SC	232	91%	83%	82%	76%
Fairmont Oaks Apartments	Gainsville, FL	178	98%	93%	90%	81%
Iona Lakes Apartments	Ft. Myers, FL	350	99%	93%	94%	87%
Lake Forest Apartments	Daytona Beach, FL	240	100%	98%	95%	91%
Woodbridge Apts. of Bloomington III	Bloomington, IN	280	95%	88%	93%	86%
Woodbridge Apts. of Louisville II	Louisville, KY	190	94%	91%	90%	89%
		1,764	95%	92%	87%	82%
Multifamily Housing — Nonconsolidated Properties						
Chandler Creek Apartments	Round Rock, TX	216	92%	92%	67%	60%
Student Housing						
Clarkson College	Omaha, NE	142	72%	61%	72%	57%

(1) Economic occupancy is presented for the three months ended March 31, 2006 and 2005, and is defined as the net rental income received divided by the maximum amount of rental income to be derived from each property. This statistic is reflective of rental concessions, delinquent rents and non-revenue units such as model units and employee units.

The following discussion of the Partnership's results of operations for the three months ended March 31, 2006 and 2005 is presented as it reflects the operations of the Partnership prior to the consolidation of the VIEs, which was required with the implementation of FIN 46R effective January 1, 2004. This information is used by management to analyze its operations and is reflective of the segment data discussed in Note 7 to the Financial Statements. Items previously discussed in connection with the Company's results of operations are not repeated.

Three Months Ended March 31, 2006 compared to Three Months Ended March 31, 2005 (Partnership Only)

Changes in Results of Operations

	For the three Months Ended March 31, 2006	For the three Months Ended March 31, 2005	Dollar Change
Revenues			
Mortgage revenue bond investment income	$ 1,771,194	$ 2,051,449	$ (280,255)
Other interest income	155,182	71,140	84,042
Gain on sale of securities	—	126,750	(126,750)
	1,926,376	2,249,339	(322,963)
Expenses Interest expense	382,013	236,944	145,069
Amortization expense	6,033	6,369	(336)
General and administrative	408,283	382,792	25,491
	796,329	626,105	170,224
Income from continuing operations	$ 1,130,047	$ 1,623,234	$ (493,187)

Mortgage revenue bond investment income. Mortgage revenue bond investment income decreased for the three months ended March 31, 2006 compared to the three months ended March 31, 2005 due to the Clear Lake sale during the fourth quarter of 2005. Due to the sale of the property, the tax-exempt bonds held by the Partnership on this property were paid in full.

Interest expense. Interest expense increased by approximately $145,000 during the three months ended March 31, 2006 compared to the same period of 2005. The increase in interest expense is attributable to increasing variable interest rates. Partially mitigating the impact of the variable interest rates were interest rate caps that limit the interest rate to approximately 3.2% on $45.0 of the outstanding debt.

Liquidity and Capital Resources

Tax-exempt interest earned on the mortgage revenue bonds represents the Partnership’s principal source of cash flow. Tax-exempt interest is primarily comprised of base interest on the mortgage revenue bonds. The Partnership will also receive from time to time contingent interest on the mortgage revenue bonds. Contingent interest is only paid when the underlying properties generate excess cash flow, therefore, cash in-flows are fairly fixed in nature and increase when the underlying properties have strong economic performances and when the Partnership acquires additional tax-exempt mortgage revenue bonds or other investments.

The Partnership’s principal uses of cash are the payment of distributions to BUC holders, interest on debt financing and general and administrative expenses. The Partnership also uses cash to acquire additional investments. Distributions to BUC holders may increase or decrease at the determination of the General Partner. The Partnership is currently paying distributions at the rate of $0.54 per BUC per year. The General Partner determines the amount of the distributions based upon the projected future cash flows of the Partnership. Future distributions to BUC holders will depend upon the amount of base and contingent interest received on the tax-exempt mortgage revenue bonds and other investments, the effective interest rate on the Partnership's variable-rate debt financing, and the amount of the Partnership's undistributed cash.

The Partnership believes that cash provided by net interest income from its tax-exempt mortgage revenue bonds and other investments will be adequate to meet its projected long-term liquidity requirements, including the payment of expenses, interest and distributions to BUC holders. Recently, income from investments has not been sufficient to fund such expenditures without utilizing cash reserves to supplement the deficit. See discussion below and in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005 regarding "Historical and Current Business Strategy".

The VIEs' primary source of cash is net rental revenues generated by their real estate investments. Net rental revenues from a multifamily apartment property depend on the rental and occupancy rates of the property and on the level of operating expenses. Occupancy rates and rents are directly affected by the supply of, and demand for, apartments in the market area in which a property is located. This, in turn, is affected by several factors such as local or national economic conditions, the amount of new apartment construction and the affordability of single-family homes. In addition, factors such as government regulation (such as zoning laws), inflation, real estate and other taxes, labor problems and natural disasters can affect the economic operations of an apartment property.

The VIEs' primary uses of cash are: (i) the payment of operating expenses; and (ii) the payment of debt service on the VIEs' bonds and mortgage notes payable.

On a consolidated basis, cash provided by operating activities for the three months ended March 31, 2006 increased $1,367,198 compared to the same period a year earlier mainly due to changes in working capital. Cash from investing activities increased $3,990,177 for the three months ended March 31, 2006 compared to the same period in 2005 primarily due to the sale of tax-exempt securities that generated net proceeds of $7,200,000 compared to 2005 which included $4,026,750 of proceeds from the sale of tax-exempt securities. Cash used in financing activities increased $336,134 for the three months ended March 31, 2006 compared to the same period in 2005 primarily due to the reduction in liabilities associated with restricted cash.

Historical and Current Business Strategy

As discussed in greater detail in the Partnership's Annual Report on Form 10-K for the year ended December 31, 2005, the General Partner believes it is appropriate to reposition the Partnership's investment portfolio. The objective of this repositioning is to improve the quality and performance of the bond portfolio. Additionally, the General Partner believes it is possible to redeploy funds into investments that would not need to be consolidated under FIN46R. If successful in this redeployment the Partnership will own a higher quality investment portfolio of tax-exempt mortgage revenue bonds that will be more clearly presented in the Partnership's financial statements. Such financial statements would present financial information more in line with the stated objectives of the Partnership. The General Partner believes this would be a significant event for the Partnership and would substantially increase the understandability and transparency of the Partnership's financial reports.

In order to achieve the objective of repositioning the Partnership's investment portfolio the following may occur:

1. In order to capitalize on current multifamily property valuations the Partnership may call most of its bond investments thereby requiring a sale or refinancing to occur. This will allow the Partnership to realize additional returns up to the amount of accrued contingent interest on its bond investment. It may

also allow the Partnership to realize payment of taxable loans outstanding which are currently considered under-performing or non-performing assets,

2. The proceeds received from these transactions would be redeployed into other tax exempt multifamily oriented investments. Through this redeployment Cash Available for Distribution ("CAD") is expected to increase by investing in assets that will generate a higher current income as compared to some current investments. The Partnership will likely expand its bond investments well beyond traditional "80/20" bonds, and

3. The Partnership may be able to use a higher quality investment portfolio to obtain higher leverage to be used to acquire additional investments.

By triggering a terminal event for many of the Partnership's investments:

1 The Partnership will be able to monetize its upside potential inherent in the current bond structures and increase the total assets of the Partnership,

2. Through the redeployment of proceeds received the Partnership may increase CAD through an expanded asset base and through the elimination of current under-performing or non-performing assets,

3. The Partnership's accounting and financial reporting may be simplified by eliminating the VIEs currently consolidated by the Partnership under FIN46R, and

4. By perpetuating the Partnership's historically high dividend payout ratio, investor distributions will increase as CAD increases.

The General Partner is currently evaluating a number of transactions that may be utilized to execute upon this strategy. Subsequent to the end of the first quarter the Partnership acquired an investment in tax-exempt mortgage revenue bonds issued by the Texas Department of Housing for Bella Vista Apartments. Bella Vista Apartments is a multifamily housing project in Gainesville Texas. The principal amount of the bonds is $6.8 million. The bonds carry an interest rate of 6.15% and mature in 2046. At this time the Partnership has not committed to any other specific transactions in regard to the repositioning of its current investment portfolio.

The Partnership is also exploring the possibility of raising additional equity for the Partnership. Equity raises will allow the Partnership to realize better economies of scale and further enhance the generation of CAD. Growing the Partnership is critical in order to justify being a publicly traded entity and being able to spread the significantly increased costs of being public across a larger income base.

Cash Available for Distribution ("CAD")

To calculate CAD, amortization expense related to debt financing costs and bond issuance costs, change in fair value of derivative contracts, provision for loan losses, realized losses on investments and net income (loss) from VIEs are added back to the Company's net income as computed in accordance with GAAP. There is no generally accepted methodology for computing CAD, and the Company's computation of CAD may not be comparable to CAD reported by other companies.

The Company uses CAD as a supplemental measurement of its economic performance and, ultimately, its ability to pay cash distributions to BUC holders. The Company believes CAD is a useful measurement as it eliminates such non-cash items as amortization expense and the change in fair value of derivatives and interest rate cap amortization. It also eliminates the loss of the consolidated VIEs. A primary component of the VIEs losses is depreciation expense, which is a non-cash expense. Although the Company considers CAD to be a useful measure of its operating performance, CAD should not be considered as an alternative to net income or net cash flows from operating activities which are calculated in accordance with GAAP.

The following sets forth a reconciliation of the Company's net income as determined in accordance with GAAP and its CAD for the periods set forth.

	For the three months ended Mar. 31, 2006	For the three months ended Mar. 31, 2005
Net income	$ 460,535	$ 803,114
Net loss from VIEs	1,441,299	1,732,315
Eliminations due to VIE consolidation	(771,787)	(912,195)
Income before impact of VIE consolidation	1,130,047	1,623,234
Change in fair value of derivatives and interest rate cap amortization	(64,996)	(160,585)
Amortization expense (Partnership only)	6,033	6,369
CAD	$ 1,071,084	$ 1,469,018

The amount of distributions to the BUC holders was approximately $1,342,000 for each of the three months ended March 31, 2006 and 2005. Although distributions exceeded CAD for the first three months of 2006, the Partnership has elected to maintain the current level of distributions it pays to BUC holders. While the Partnership has sufficient cash reserves to support distributions in excess of CAD in the short-term, continued distributions in excess of CAD are not sustainable.

Contractual Obligations

There were no significant changes to the Company's contractual obligations as of March 31, 2006 from the December 31, 2005 information presented in the Company's annual report on Form 10-K.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in market risk from the information provided under "Quantitative and Qualitative Disclosures about Market Risk" in Item 7A of the Company's 2005 annual report on Form 10-K.

Item 4. Controls and Procedures

(a) *Evaluation of disclosure controls and procedures.* The Partnership's Chief Executive Officer and Chief Financial Officer have reviewed and evaluated the effectiveness of the Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer have concluded that the Partnership's current disclosure controls and procedures are effective, providing them with material information relating to the Partnership as required to be disclosed in the reports the Partnership files or submits under the Exchange Act on a timely basis.

(b) *Changes in internal controls over financial reporting.* There were no changes in the Partnership's internal control over financial reporting during the Partnership's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting, other than, in December 2005 and January 2006, the accounting department experienced personnel turnover which resulted in a lack of segregation of duties during the year end financial close and reporting process. Although the department has hired personnel to fill the positions vacated due to the turnover, the lack of segregation of duties has continued during the first quarter as the new personnel receive training and become acquainted with their job duties. Management implemented mitigating controls and has concluded that the internal controls over financial reporting functioned effectively during the first quarter.

PART II — OTHER INFORMATION

Item 1A. Risk Factors

The risk factors affecting the Company are described in 1A "Risk Factors" of the Company's 2005 Annual Report on Form 10-K. There have been no changes to the risk factors affecting the Company from those discussed therein.

Item 6. Exhibits

The following exhibits are filed as required by Item 6 of this report. Exhibit numbers refer to the paragraph numbers under Item 601 of Regulation S-K:

3. Articles of Incorporation and Bylaws of America First Fiduciary Corporation Number Five (incorporated herein by reference to Registration Statement on Form S-11 (No. 2-99997) filed by America First Tax Exempt Mortgage Fund Limited Partnership on August 30, 1985).

4(a) Form of Certificate of Beneficial Unit Certificate (incorporated herein by reference to Exhibit 4.1 to Registration Statement on Form S-4 (No. 333-50513) filed by the Company on April 17, 1998).

4(b) Agreement of Limited Partnership of the Partnership (incorporated herein by reference to the Amended Annual Report on Form 10-K (No. 000-24843) filed by the Company on June 28, 1999).

4(c) Amended Agreement of Merger, dated June 12, 1998, between the Partnership and America First Tax Exempt Mortgage Fund Limited Partnership (incorporated herein by reference to Exhibit 4.3 to Amendment No. 3 to Registration Statement on Form S-4 (No. 333-50513) filed by the Company on September 14, 1998).

31.1 Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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 thereunto duly authorized.

AMERICA FIRST TAX EXEMPT INVESTORS, L.P.

By America First Capital
Associates Limited
Partnership Two, General
Partner of the Partnership

By Burlington Capital Group LLC,
General Partner of
America First Capital
Associates Limited
Partnership Two

Date: May 15, 2006

/s/ Lisa Y. Roskens
Lisa Y. Roskens
Chief Executive Officer
Burlington Capital Group LLC, acting in its capacity as general partner of the General Partner of America First Tax Exempt Investors, L.P

EXHIBIT 31.1

Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Lisa Y. Roskens, certify that:

1. I have reviewed this quarterly report on Form 10-Q of America First Tax Exempt Investors, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods represented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: May 15, 2006

/s/ Lisa Y. Roskens
Lisa Y. Roskens
Chief Executive Officer
Burlington Capital Group LLC, acting in its capacity as general partner of the General Partner of America First Tax Exempt Investors, L.P

EXHIBIT 31.2

Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Draper, certify that:

1. I have reviewed this quarterly report on Form 10-Q of America First Tax Exempt Investors, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods represented in this report.

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2006

/s/ Michael J. Draper
Michael J. Draper
Chief Financial Officer
Burlington Capital Group LLC, acting in its capacity as general partner of the General Partner of America First Tax Exempt Investors, L.P

Exhibit 32.1

Certification of CEO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Lisa Y. Roskens, Chief Executive Officer of the general partner of the General Partner of America First Tax Exempt Investors, L.P. (the "Company"), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2006 (the "Report") fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2006

/s/ Lisa Y. Roskens
Lisa Y. Roskens
Chief Executive Officer
Burlington Capital Group LLC, acting in its capacity as general partner of the General Partner of America First Tax Exempt Investors, L.P

A signed original of this written statement required by Section 906 has been provided to America First Tax Exempt Investors, L.P. and will be retained by America First Tax Exempt Investors, L.P. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of CFO pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

I, Michael J. Draper, Chief Financial Officer of the general partner of the General Partner of America First Tax Exempt Investors, L.P. (the “Company”), certify pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that:

(1) The Quarterly Report on Form 10-Q of the Company for the three months ended March 31, 2006 (the “Report”) fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m); and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2006

/s/ Michael J. Draper
Michael J. Draper
Chief Financial Officer
Burlington Capital Group LLC, acting in its capacity as general partner of the General Partner of America First Tax Exempt Investors, L.P

A signed original of this written statement required by Section 906 has been provided to America First Tax Exempt Investors, L.P. and will be retained by America First Tax Exempt Investors, L.P. and furnished to the Securities and Exchange Commission or its staff upon request.