

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

BLACKROCK MUNI ENHANCED FUND INC
 Form N-Q
 December 28, 2007

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

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
 MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05739

Name of Fund: BlackRock MuniEnhanced Fund, Inc. (MEN)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer,
 BlackRock MuniEnhanced Fund, Inc., 800 Scudders Mill Road, Plainsboro, NJ
 08536. Mailing address: P.O. Box 9011, Princeton, NJ 08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 01/31/2008

Date of reporting period: 08/01/2007 - 10/31/2007

Item 1 - Schedule of Investments

BlackRock MuniEnhanced Fund, Inc.
 Schedule of Investments as of October 31, 2007 (Unaudited) (in Thousands)

State	Face Amount	Municipal Bonds
Alabama - 2.0%	\$ 2,750	Jefferson County, Alabama, Limited Obligation School Warrants, S 5.50% due 1/01/2022
	2,200	Jefferson County, Alabama, Limited Obligation School Warrants, S 4.75% due 1/01/2025
	1,400	University of Alabama, General Revenue Bonds, Series A, 5% due 7
Arizona - 0.8%	2,640	Salt Verde Financial Corporation, Arizona, Senior Gas Revenue Bo 5% due 12/01/2037
California - 30.9%	10,000	Alameda Corridor Transportation Authority, California, Capital A Revenue Refunding Bonds, Subordinate Lien, Series A, 5.464% due
	6,000	Alameda Corridor Transportation Authority, California, Capital A Revenue Refunding Bonds, Subordinate Lien, Series A, 5.495% due
	950	Anaheim, California, Public Financing Authority, Electric System Facilities Revenue Bonds, Series A, 5% due 10/01/2031 (d)
	5,000	Anaheim, California, Public Financing Authority, Lease Revenue B Improvements Project), Senior Series A, 6% due 9/01/2024 (d)
	600	Antelope Valley, California, Community College District, GO (Ele Series B, 5.25% due 8/01/2039 (f)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

1,600	Arcadia, California, Unified School District, Capital Appreciation of 2006), Series A, 4.96% due 8/01/2039 (d) (m)
2,400	Cabrillo, California, Community College District, GO (Election of 5.20% due 8/01/2037 (f) (m)
2,350	California State, GO, Refunding, 5.25% due 9/01/2010 (g)
4,940	California State, GO, Refunding, 5.125% due 6/01/2011 (g)
20	California State, GO, Refunding, 5.125% due 6/01/2027
60	California State, GO, Refunding, 5.125% due 6/01/2031
4,400	California State, GO, Refunding, 5.25% due 2/01/2033 (i)
4,300	California State, GO, Refunding, 5% due 6/01/2037 (c)
1,900	California State Public Works Board, Lease Revenue Bonds (Department of Corrections), Series C, 5% due 6/01/2025
2,600	California State University, Systemwide Revenue Bonds, Series A, due 11/01/2035 (b)

Portfolio Abbreviations

To simplify the listings of BlackRock MuniEnhanced Fund, Inc.'s portfolio holdings in the Schedule of Investments, we have abbreviated the names of many of the securities according to the list below.

AMT	Alternative Minimum Tax (subject to)
COP	Certificates of Participation
EDA	Economic Development Authority
GO	General Obligation Bonds
HDA	Housing Development Authority
HFA	Housing Finance Agency
IDA	Industrial Development Authority
IDR	Industrial Development Revenue Bonds
PCR	Pollution Control Revenue Bonds
S/F	Single-Family

BlackRock MuniEnhanced Fund, Inc.
 Schedule of Investments as of October 31, 2007 (Unaudited) (in Thousands)

State	Face Amount	Municipal Bonds
	\$ 8,490	California State, Various Purpose, GO, 5.50% due 11/01/2033
	850	Chino Valley, California, Unified School District, GO (Election of Series C, 5.25% due 8/01/2030 (f)
	1,600	East Side Union High School District, California, Santa Clara County (Election of 2002), Series D, 5% due 8/01/2026 (c)
	900	Fresno, California, Unified School District, GO (Election of 2002), Series C, 5% due 8/01/2030 (d)
	2,835	Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.50% due 6/01/2013 (c) (g)
	3,000	Golden State Tobacco Securitization Corporation of California, Settlement Revenue Bonds, Series B, 5.625% due 6/01/2013 (g) (k)
	5,300	Los Angeles, California, Department of Water and Power, Waterworks Revenue Bonds, Series C, 5% due 7/01/2029 (f)
	2,965	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2029 (b)
	1,655	Metropolitan Water District of Southern California, Waterworks Revenue Bonds, Series B-1, 5% due 10/01/2036 (b)
	5,000	Norco, California, Redevelopment Agency, Tax Allocation Refunding Bonds, Series A, 5% due 11/01/2035 (b)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

	7,455	Redevelopment Project - Area Number 1), 5.125% due 3/01/2030 (f)
	1,750	Orange County, California, Sanitation District, COP, 5% due 2/0
	3,850	Poway, California, Redevelopment Agency, Tax Allocation Refundi Redevelopment Project), 5.125% due 6/15/2033 (a)
	1,100	Sacramento, California, Unified School District, GO (Election o 5% due 7/01/2030 (f)
	6,145	Southern California Public Power Authority, Natural Gas Project Bonds, Series A, 5% due 11/01/2028
	1,600	Stockton, California, Public Financing Authority, Lease Revenue Capital Projects), 5.125% due 9/01/2030 (b)
	2,325	Tamalpais, California, Union High School District, GO (Election 5% due 8/01/2028 (d)
		Ventura County, California, Community College District, GO (Ele Series B, 5% due 8/01/2030 (f)

Colorado - 8.4%	2,135	Boulder County, Colorado, Hospital Development Revenue Bonds (L Hospital Project), 5.75% due 12/01/2010 (g) (i)
	25	Colorado HFA, Revenue Bonds (S/F Program), AMT, Senior Series A due 11/01/2027
	530	Colorado HFA, Revenue Refunding Bonds (S/F Program), AMT, Senio due 4/01/2031
	1,200	Colorado Health Facilities Authority Revenue Bonds (Catholic He Series A, 5.50% due 3/01/2032 (h)
	1,200	Colorado Health Facilities Authority Revenue Bonds (Covenant Re Communities Inc.), Series A, 5.50% due 12/01/2027 (i)
	675	Colorado Health Facilities Authority Revenue Bonds (Covenant Re Communities Inc.), Series A, 5.50% due 12/01/2033 (i)

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments as of October 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 3,875	Colorado Water Resources and Power Development Authority, Clean Bonds, Series A, 6.25% due 9/01/2010 (g)
	2,000	Denver, Colorado, City and County Airport Revenue Refunding Bon Series A, 6% due 11/15/2018 (a)
	5,450	El Paso County, Colorado, School District Number 49, Falcon, GO 6% due 12/01/2009 (d) (g)
	7,900	Northwest Parkway Public Highway Authority, Colorado, Capital A Revenue Bonds, Senior Convertible, Series C, 5.345% due 6/15/20
	1,900	Northwest Parkway Public Highway Authority, Colorado, Revenue B 5.50% due 6/15/2021 (a)

District of Columbia - 0.5%	1,600	District of Columbia, GO, Series A, 4.75% due 6/01/2036 (b)

Florida - 1.7%	3,600	Highlands County, Florida, Health Facilities Authority, Hospita (Adventist Health System), Series C, 5.25% due 11/15/2036
	2,000	Highlands County, Florida, Health Facilities Authority, Hospita Refunding Bonds (Adventist Health System), Series G, 5.125% due

Georgia - 12.6%	17,355	Atlanta, Georgia, Airport General Revenue Refunding Bonds, Seri due 1/01/2033 (d)
	2,900	Atlanta, Georgia, Water and Wastewater Revenue Bonds, 5% due 11

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

	1,000	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,
	4,250	Atlanta, Georgia, Water and Wastewater Revenue Bonds, Series A,
	2,300	Augusta, Georgia, Water and Sewer Revenue Bonds, 5.25% due 10/0
	2,500	Fulton County, Georgia, Water and Sewer Revenue Bonds, 5.25% du
	7,725	Georgia Municipal Electric Authority, Power Revenue Refunding B due 1/01/2025 (a)

Illinois - 15.0%	5,670	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Series B-2, 5.75% due 1/01/2023 (d)
	2,500	Chicago, Illinois, O'Hare International Airport Revenue Bonds, Series B-2, 6% due 1/01/2029 (c)
	2,460	Cook County, Illinois, Capital Improvement, GO, Series C, 5.50%
	20,120	Illinois Sports Facilities Authority, State Tax Supported Reven due 6/15/2030 (a) (m)
	4,500	Illinois Sports Facilities Authority, State Tax Supported Reven due 6/15/2032 (a)
	2,000	Metropolitan Pier and Exposition Authority, Illinois, Dedicated Refunding Bonds (McCormick Place Expansion Project), Series B, 6/15/2023 (f)
	10,115	Regional Transportation Authority, Illinois, Revenue Bonds, Ser 11/01/2020 (a)

Louisiana - 6.7%	4,500	Lafayette, Louisiana, Utilities Revenue Bonds, 5% due 11/01/202
	3,600	Louisiana Local Government Environmental Facilities and Communi Authority, Revenue Bonds (Capital Projects and Equipment Acquis 6.30% due 7/01/2030 (a)
	2,035	Louisiana State Citizens Property Insurance Corporation, Assess Series B, 5% due 6/01/2023 (a)
	4,950	Louisiana State, Gas and Fuels Tax Revenue Bonds, Series A, 4.7
	3,735	Louisiana State Transportation Authority, Senior Lien Toll Reve Appreciation Bonds, Series B, 5.31% due 12/01/2027 (a) (m)

BlackRock MuniEnhanced Fund, Inc.
Schedule of Investments as of October 31, 2007 (Unaudited) (in Thousands)

State	Face Amount	Municipal Bonds
	\$ 3,650	Rapides Financing Authority, Louisiana, Revenue Bonds (Cleco Po AMT, 4.70% due 11/01/2036 (a)
	1,400	Terrebonne Parish, Louisiana, Hospital Service District Number Bonds (Terrebonne General Medical Center Project), 5.50% due 4/

Massachusetts - 6.8%	2,600	Massachusetts Bay Transportation Authority, Sales Tax Revenue R Senior Series A-2, 5.12% due 7/01/2035 (m)
	1,600	Massachusetts State, HFA, S/F Housing Revenue Bonds, AMT, Serie due 12/01/2027 (d)
	2,000	Massachusetts State Health and Educational Facilities Authority (Lahey Clinic Medical Center), Series D, 5.25% due 8/15/2037
	8,800	Massachusetts State School Building Authority, Dedicated Sales Series A, 5% due 8/15/2030 (d)
	7,500	Massachusetts State Special Obligation Dedicated Tax Revenue Bo 5.25% due 1/01/2014 (b) (g)
	950	Massachusetts State Water Resource Authority, General Revenue R Series B, 5.125% due 8/01/2027 (f)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

Michigan - 3.6%	1,900	Detroit, Michigan, Sewage Disposal System, Second Lien Revenue Bonds, due 7/01/2036 (b)
	1,700	Michigan Higher Education Student Loan Authority, Student Loan Bonds, AMT, Series XVII-G, 5.20% due 9/01/2020 (a)
	1,300	Michigan State Strategic Fund, Limited Obligation Revenue Refund (Detroit Edison Company Pollution Control Project), AMT, Series 6/01/2030 (c)
	2,500	Michigan State Strategic Fund, Limited Obligation Revenue Refund (Detroit Edison Company Pollution Control Project), AMT, Series 9/01/2029 (c)
	4,300	Michigan State Strategic Fund, Limited Obligation Revenue Refund (Detroit Edison Company Pollution Control Project), AMT, Series 12/15/2032 (c)

Minnesota - 0.9%	3,083	Dakota County, Minnesota, Community Development Agency, S/F Mortgage Bonds (Mortgage-Backed Securities Program), Series B, 5.15% due

Mississippi - 0.8%	2,400	Walnut Grove, Mississippi, Correctional Authority, COP, 6% due

Nebraska - 0.5%	1,700	Washington County, Nebraska, Wastewater Facilities Revenue Bond (Project), AMT, 5.90% due 11/01/2027

Nevada - 4.3%	3,100	Carson City, Nevada, Hospital Revenue Bonds (Carson-Tahoe Hospital Series A, 5.50% due 9/01/2033 (i)
	1,500	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds due 7/01/2030 (b)
	3,200	Clark County, Nevada, Airport System Subordinate Lien Revenue Bonds due 7/01/2036 (b)
	5,060	Clark County, Nevada, IDR (Southwest Gas Corporation Project), due 9/01/2036 (b)
	1,300	Clark County, Nevada, IDR (Southwest Gas Corporation Project), due 3/01/2038 (b)

New Hampshire - 2.4%	7,390	New Hampshire Health and Education Facilities Authority Revenue Bonds (Dartmouth-Hitchcock Obligation Group), 5.50% due 8/01/2027 (d)

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments as of October 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
New Jersey - 7.6%	\$ 700	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2033
	1,165	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.75% due 6/15/2033
	2,600	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A due 7/01/2029 (f)
	9,325	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A due 7/01/2031 (f)
	5,200	New Jersey EDA, Motor Vehicle Surcharge Revenue Bonds, Series A due 7/01/2033 (f)
	4,960	New Jersey EDA, School Facilities Construction Revenue Bonds, Series A due 3/01/2028

New York - 1.5%	2,250	Metropolitan Transportation Authority, New York, Transportation Revenue Bonds, Series A, 5% due 11/15/2032 (b)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

	2,400	Tobacco Settlement Financing Corporation of New York Revenue Bonds (a) 5.25% due 6/01/2022 (a)
Ohio - 0.6%	2,200	Ohio State Air Quality Development Authority Revenue Bonds (Day Light Company Project), 4.80% due 9/01/2036 (b)
Pennsylvania - 4.1%	1,500	Pennsylvania HFA, S/F Mortgage Revenue Refunding Bonds, AMT, Series A, due 10/01/2032
	2,000	Pennsylvania State Public School Building Authority, School Leasing (The School District of Philadelphia Project), 5% due 6/01/2013
	6,500	Philadelphia, Pennsylvania, Authority for Industrial Development Bonds, Series B, 5.50% due 10/01/2011 (d)(g)
	2,650	Philadelphia, Pennsylvania, Gas Works Revenue Refunding Bonds, Ordinance, 7th Series, 5% due 10/01/2032 (a)
Rhode Island - 2.5%	4,345	Providence, Rhode Island, Public Building Authority, General Revenue Series A, 6.25% due 12/15/2010 (d)(g)
	3,355	Rhode Island State Economic Development Corporation, Airport Revenue Series B, 6.50% due 7/01/2010 (b)(g)
South Carolina - 4.8%	3,800	Berkeley County, South Carolina, School District, Installment Revenue Bonds (Securing Assets for Education Project), 5.125% due 12/01/2029 (k)
	2,365	Kershaw County, South Carolina, Public Schools Foundation, Installment Revenue Refunding Bonds, 5% due 12/01/2029 (k)
	9,200	Scago Educational Facilities Corporation for Pickens County Schools, South Carolina, Revenue Bonds, 5% due 12/01/2031 (d)
South Dakota - 1.9%	6,180	South Dakota State Health and Educational Facilities Authority Revenue Bonds, Series A, 7.625% due 1/01/2008 (f)(g)
Tennessee - 1.6%	6,500	Knox County, Tennessee, Health, Educational and Housing Facilities Revenue Refunding Bonds (Covenant Health), Series A, 5.25% due 1/01/2038 (m)
	1,860	Tennessee Energy Acquisition Corporation, Gas Revenue Bonds, Series A, due 9/01/2026
	2,280	Tennessee HDA, Revenue Refunding Bonds (Homeownership Program), Series A, due 7/01/2012 (f)
Texas - 7.6%	9,345	Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.49% due 8/15/2029 (b)(m)
	10,000	Leander, Texas, Independent School District, Capital Appreciation Refunding (School Building), 5.58% due 8/15/2035 (m)

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments as of October 31, 2007 (Unaudited)

(in Thousands)

State	Face Amount	Municipal Bonds
	\$ 4,475	Lewisville, Texas, Independent School District, Capital Appreciation Refunding (School Building), GO, Refunding, 4.67% due 8/15/2024 (b)(m)
	2,500	Matagorda County, Texas, Navigation District Number 1, Power and Light Company Project), AMT, 5.20% due 5/01/2030 (f)
	5,820	North Harris County, Texas, Regional Water Authority, Senior Liabilities, 5.125% due 12/15/2035 (f)
	900	North Texas Thruway Authority, Dallas North Thruway System Revenue Bonds, Series A, 5.25% due 12/15/2035 (f)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

		Series A, 5% due 1/01/2035 (d)
	1,595	Texas State Affordable Housing Corporation, S/F Mortgage Revenue (Professional Educators Home Loan Program), AMT, Series A-1, 5.12/01/2039 (n) (o)
	6,250	Texas State Turnpike Authority, Central Texas Turnpike System Revenue Bonds, First Tier, Series A, 5.50% due 8/15/2039 (a)

Vermont - 0.9%	3,100	Vermont HFA, S/F Housing Revenue Bonds, AMT, Series 27, 4.85% due 12/01/2039 (a)

Virginia - 5.4%	10,000	Fairfax County, Virginia, EDA, Resource Recovery Revenue Refunding Bonds, Series A, 6.10% due 2/01/2010 (a)
	2,300	Halifax County, Virginia, IDA, Exempt Facility Revenue Refunding Bonds (Dominion Electric Cooperative Project), AMT, 5.625% due 6/01/2037 (a)
	5,000	Stafford County, Virginia, EDA, Hospital Facilities Revenue Bonds (Health System), 5.25% due 6/15/2037

Washington - 0.6%	2,000	Snohomish County, Washington, Public Utility District Number 00 Revenue Refunding Bonds, 5.375% due 12/01/2009 (d) (g)

		Total Municipal Bonds (Cost - \$436,941) - 137.0%

		Municipal Bonds Held in Trust (p)

District of Columbia - 3.1%	10,000	District of Columbia, Ballpark Revenue Bonds, Series B-1, 5% due 12/01/2032 (a)

Florida - 4.0%	8,900	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5% due 10/01/2040 (c)
	4,200	Orange County, Florida, Sales Tax Revenue Refunding Bonds, Series A, 5.50% due 1/01/2032 (b)

Illinois - 6.1%	10,250	Chicago, Illinois, Board of Education, GO (Chicago School Reform Bonds), 5.75% due 12/01/2027 (a)
	9,100	Chicago, Illinois, O'Hare International Airport, General Airport Revenue Bonds, Third Lien, AMT, Series A, 5.75% due 1/01/2021 (f)

Massachusetts - 4.9%	5,600	Massachusetts State HFA, Housing Revenue Bonds (Rental Mortgage Revenue Bonds), 5.25% due 1/01/2046 (d)
	3,100	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Special Facilities Revenue Lines Inc. Project), AMT, Series A, 5.50% due 1/01/2016 (a)
	4,000	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Special Facilities Revenue Lines Inc. Project), AMT, Series A, 5.50% due 1/01/2018 (a)
	2,870	Massachusetts State Port Authority, Special Facilities Revenue Bonds (Special Facilities Revenue Lines Inc. Project), AMT, Series A, 5.50% due 1/01/2019 (a)

New Jersey - 6.4%	15,250	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2037 (a)
	5,000	New Jersey EDA, Cigarette Tax Revenue Bonds, 5.50% due 6/15/2037 (a)

BlackRock MuniEnhanced Fund, Inc.
 Schedule of Investments as of October 31, 2007 (Unaudited) (in Thousands)

State Face Amount Municipal Bonds Held in Trust (p)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

South Carolina - 2.2%	\$ 3,120	Charleston Educational Excellence Financing Corporation, South Revenue Bonds (Charleston County School District), 5.25% due 12
	2,765	Charleston Educational Excellence Financing Corporation, South Revenue Bonds (Charleston County School District), 5.25% due 12
	1,010	Charleston Educational Excellence Financing Corporation, South Revenue Bonds (Charleston County School District), 5.25% due 12
Texas - 7.9%	14,500	Dallas-Fort Worth, Texas, International Airport Revenue Bonds, 5.50% due 11/01/2033 (f)
	10,400	Travis County, Texas, Health Facilities Development Corporation Refunding Bonds (Ascension Health Credit), Series A, 5.875% due
Total Municipal Bonds Held in Trust (Cost - \$114,096) - 34.6%		

Shares
Held Short-Term Securities

1,000	Merrill Lynch Institutional Tax-Exempt Fund, 3.32% (l) (j)
-------	--

Total Short-Term Securities (Cost - \$1,000) - 0.3%

Total Investments (Cost - \$552,037*) - 171.9%

Other Assets Less Liabilities - 1.6%

Liability for Trust Certificates, Including Interest Expense Pa

Preferred Stock, at Redemption Value - (56.6%)

Net Assets Applicable to Common Stock - 100.0%

* The cost and unrealized appreciation (depreciation) of investments as of October 31, 2007, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 497,102
	=====
Gross unrealized appreciation	\$ 18,636
Gross unrealized depreciation	(2,391)

Net unrealized appreciation	\$ 16,245
	=====

- (a) AMBAC Insured.
- (b) FGIC Insured.
- (c) XL Capital Insured.
- (d) FSA Insured.
- (e) Assured Guaranty Insured.
- (f) MBIA Insured.
- (g) Prerefunded.
- (h) Escrowed to maturity.
- (i) Radian Insured.
- (j) Represents the current yield as of October 31, 2007.
- (k) CIFG Insured.

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

BlackRock MuniEnhanced Fund, Inc.

Schedule of Investments as of October 31, 2007 (Unaudited)

(in Thousands)

- (l) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Dividend Income
Merrill Lynch Institutional Tax Exempt Fund	(4,318)	\$81

- (m) Represents a zero coupon or step bond; the interest rate shown reflects the effective yield at the time of purchase.
- (n) FNMA/GNMA Collateralized.
- (o) FHLMC Collateralized.
- (p) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These serve as collateral in a financing transaction.
- o Forward interest rate swaps outstanding as of October 31, 2007 were as follows:

	Notional Amount
Pay a fixed rate of 3.607% and receive a floating rate based on 1-week SIFMA Municipal Swap Index rate Broker, JPMorgan Chase Expires January 2018	\$ 15,000
Pay a fixed rate of 3.8235% and receive a floating rate based on 1-week SIFMA Municipal Swap Index rate Broker, JPMorgan Chase Expires December 2022	\$ 12,500
Total	

Item 2 - Controls and Procedures

- 2(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities and Exchange Act of 1934, as amended.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act)

Edgar Filing: BLACKROCK MUNI ENHANCED FUND INC - Form N-Q

that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

BlackRock MuniEnhanced Fund, Inc.

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Executive Officer of
BlackRock MuniEnhanced Fund, Inc.

Date: December 19, 2007

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Burke

Donald C. Burke,
Chief Executive Officer (principal executive officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: December 19, 2007

By: /s/ Neal J. Andrews

Neal J. Andrews,
Chief Financial Officer (principal financial officer) of
BlackRock MuniEnhanced Fund, Inc.

Date: December 19, 2007