



## March 1999

### And The Beat Goes On...

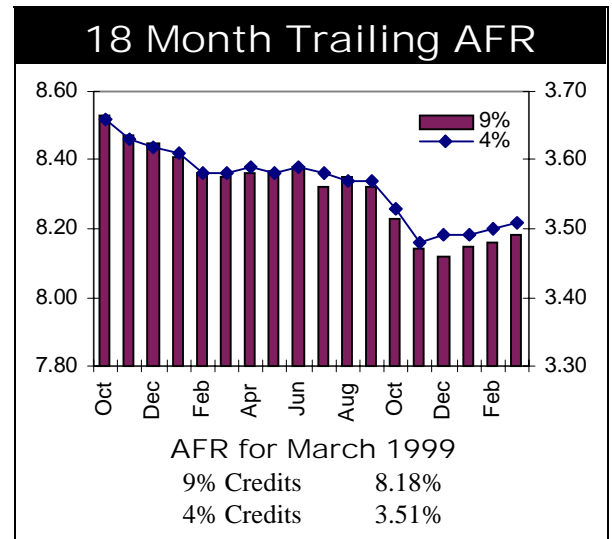
Do you remember 1971? We do. Nixon was president. Watergate wasn't even a household name yet. The Dow was under 900. Apollo 14 splashed down in the ocean after spending 33 hours on the Moon. *It's also the year WNC was established.* That's right, we were investing in affordable housing sixteen years before the first tax credit was awarded. And we haven't missed a beat for 28 consecutive years. Why are we telling you now? Because we appreciate your business. And without you--our clients and friends--we wouldn't have made it this far. To this end, we are starting **CREDIT FACTS**, a WNC bulletin designed to bring you ideas, events and remarks related to your business. We'll run short briefs on interesting closings we've completed; update you on legislative and regulatory activities; even point you to resources that might help you plan around problems. So if you see something of interest and want to know more, give us a ring. We are here to help. And, by the way, thanks again for your help in making WNC one of oldest--and most trusted--investors in the industry.

### We're From the IRS & We're Here to Help

Ever been audited? Knock on wood. The IRS is auditing tax credit properties. And they're targeting fees and costs that can be associated with land or land acquisition. Result? If not documented well, a portion of your developer fee and/or project costs can be taken out of basis, putting some of your credits at risk. This issue stems from the IRS audit guidelines now in circulation which outline several areas the IRS will be focusing on if and when they visit your property. Call or e-mail WNC for a copy of the guidelines.

### Coming Soon to a State Near You

Late last year, the National Council of State Housing Agencies (NCSHA) finalized its recommended tax credit underwriting guidelines. There are 15 of them. They're extensive. And they affect virtually every aspect of your developments. Each state, including yours, is urged by NCSHA to adopt these minimum standards. Many lenders and investors have already done so. Call or e-mail WNC for a copy of these standards.



### Washington Update

Following years of lobbying on behalf of the housing industry, WNC has opened an office in Washington, D.C. Our new office has served as a staging ground for our Founder and Chairman, Will Cooper, Sr. who, in 1998 alone raised approximately \$75,000 on behalf of the housing industry for seven separate members of Congress. Thanks again to all those who contributed!

According to Mr. Cooper, prospects for the increase in the credit volume cap are good. A new bill, **H.R. 175**, introduced in January by Rep. Nancy Johnson (R-CT) increases each state's volume cap from \$1.25 to \$1.75 per capita and would index the cap each year for inflation. New spin here. **H.R. 175** is a clean bill without the reforms proposed in last year's bill. The Senate is also expected to introduce its own bill shortly. Clinton's FY 2000 budget also includes an increase to \$1.75 per capita, but without indexing. Call your Congressman and urge him or her to co-sponsor **H.R. 175**.

### Its 106 in Atlanta

Things are really heating up in Georgia. WNC recently closed its 7th project there, 106 units in Gainesville, just outside of Atlanta. Along with WNC's equity of \$4.1 million, the project will receive a \$4.2 million construction/permanent mortgage through a national lender that WNC has formed a strong relationship with. Unique features? Pre-wired cable TV in each unit, swimming pool, large clubhouse, full size basketball court and extensive landscaping.

