



January 2002

WNC Honors Key Employees

WNC paid tribute to several of its key employees for their loyalty and service to the company. Six employees were graced with awards which honored ten years or more of service, while six other employees earned recognition awards for five or more years of service. Recipients of the award include Will Cooper, Sr.; Shelly Taylor; Will Cooper, Jr.; Terry Champany; David Shafer and Sy Garban; for ten years and Charlyne Marin, Sharon Clark, Tom Riha, Marge Lundberg, Debbie Combs, and Sylvia Borovay for five years. Additionally, the hard work and dedication of Huey Hong and Mike Gaber paid off when they received WNC's employee recognition award.

None of this would have been possible, however, without Wilfred Cooper, Sr., WNC's Chairman who founded WNC in 1971. Wilfred Cooper, Jr., President of WNC, commemorated Will Sr. with an award for 30 years of leadership, citing his dedication, commitment, and tenacity in the industry and with the company. WNC's senior officers and directors have significant experience and longevity, averaging ten years with WNC and over 20 years in real estate.

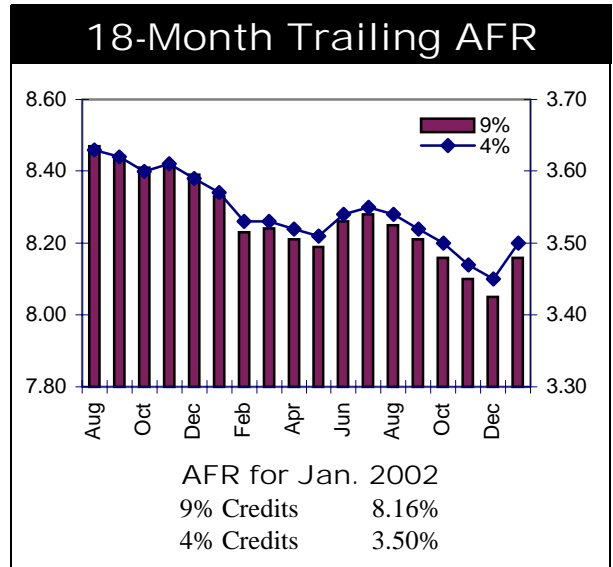
No Action on TAM Legislation

Representative Nancy Johnson's (R-CT) bill which sought to classify impact fees and other costs as includable in eligible basis fell victim to Congressional adjournment as Congress closed their session and went home for the holidays. H.R. 3324 was cosponsored by Charles Rangel (D-NY), Mark Foley (R-FL) and Gary Miller (R-CA). On November 16 the bill was referred to the House Ways and Means Committee, the tax-writing arm of the House.

H.R. 3324 was drawn in response to last year's TAMs released by the IRS. In the TAMs the IRS stated that impact fees were not includable. Other costs such as landscaping fees, survey fees, developer fees, and construction financing costs were or includable or not includable depending on certain conditions. The industry had previously been treating such expenses as includable.

WNC Contributes to National Housing Conference Report On Tax Credits

The National Housing Conference (NHC), among the largest and most active housing associations in the country, has issued a report prepared by the Low Income



Housing Working Group that was convened by NHC. The report, intended to prioritize future legislation, makes many recommendations designed to improve the effectiveness and efficiency of the tax program. Some of the recommendations include enacting a definition of "eligible basis", allowing tax credits to reduce AMT for both individuals and corporations, and introducing "exit tax" relief for investors in mature properties. The working group included national leaders in all sectors of the tax credit industry. WNC's Chairman, Wilfred N. Cooper, Sr., a Director and Member of the Executive Committee of NHC, was a member of the working group and assisted in drafting the AMT and exit tax relief provisions. A copy of the report can be ordered from WNC by e-mailing marketing@wncinc.com or by calling 714-662-5565, extension 122.

California Tax Credits Increase

California Governor Gray Davis signed SB 73, which increases the California state tax credit cap. The new credit cap will become effective calendar year 2001 and grow from \$50 million to \$70 million. In addition this amount will be adjusted annually for inflation as measured by the Consumer Price Index.

Under the new law the California Tax Credit Allocation Committee shall review and evaluate the methodology used for geographic distribution of the tax credits. The Committee will be studying the methodology while considering which regional areas show the most need. Their findings will be reported to the state legislature no later than June 30, 2002.

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