



WNC Closes 3rd Fund, Raises \$110 Million Year-to-Date

WNC closed more than \$110 million with the closing of three institutional funds in the third quarter. These funds include a \$39 million national fund, a \$50 million New York regional fund and \$16 million California regional fund. The company raised an additional \$8 million with its 17th public fund. In total, these funds bring WNC's equity raised to more than \$800 million and its acquisitions to more than 725 properties in 40 states and the District of Columbia. This year, WNC has acquired a total of 43 properties in 16 states. Consistent with WNC's relationship philosophy, 21 (75%) of this years property acquisitions are being developed by "repeat" developers with WNC. The company expects to launch a \$50 million national institutional fund in October. WNC has more than 16,000 total investors nationwide.

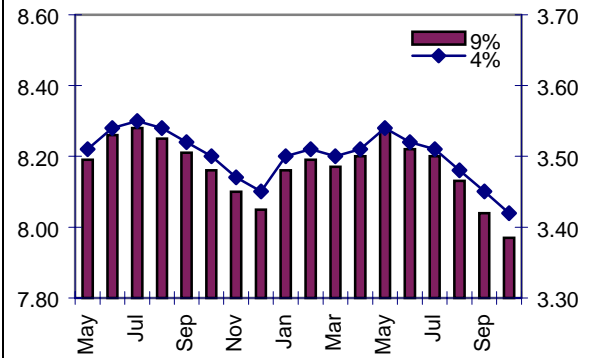
WNC Institutional Tax Credit Fund XV will open shortly.

Housing Affordability Urgency Grows Says Harvard Report

Although the nation experienced an economic growth spurt in the last decade there were little gains for the poorest households, states the Joint Center for Housing Studies of Harvard University in their "State of the Nation's Housing" report for 2002.

The study found that of 34 million renters 14 million of them spend 30% or more on housing, and 7 million spend 50% or more. When structurally inadequate or overcrowded conditions were added to affordability issues, 83% of the lowest-income renters had housing problems. The study also expressed concern that owners of unsubsidized apartments were unable to maintain or manage their units, increasing the likelihood that the supply of affordable rental housing will dwindle as more and more owners opt out of the rental business. The complete State of the Nation's Housing report may be downloaded at <http://www.jchs.harvard.edu>.

18-Month Trailing AFR



AFR for Oct. 2002
 9% Credits 7.97%
 4% Credits 3.42%

WNC Enters New Markets Tax Credit Arena

WNC was among the 345 candidates in September to submit an application for the New Markets Tax Credit. According to the Treasury Department the applications represented over \$25.8 billion in potential equity investment, with only \$2.5 billion of credits available for this year.

The New Markets Tax Credit is a relatively new program that was created in late 2000 as part of the Community Renewal Tax Relief Act of 2000. Its primary purpose is to enhance business development in low-income communities. Unlike the low-income housing tax credit, the New Markets credit is spread over seven years and cannot be used with rental housing.

On a separate front, the IRS, in Notice 2002-64, has ruled that the New Markets tax credit may be used in conjunction with historic tax credits. The Notice also stated that certain other federal tax incentives may be used with the credit. To download the notice, visit WNC's website at <http://www.wncinc.com/news.htm> and click on the link in the web-based version of this article. You will need Adobe Acrobat for this download. It is available at <http://www.adobe.com>.

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