

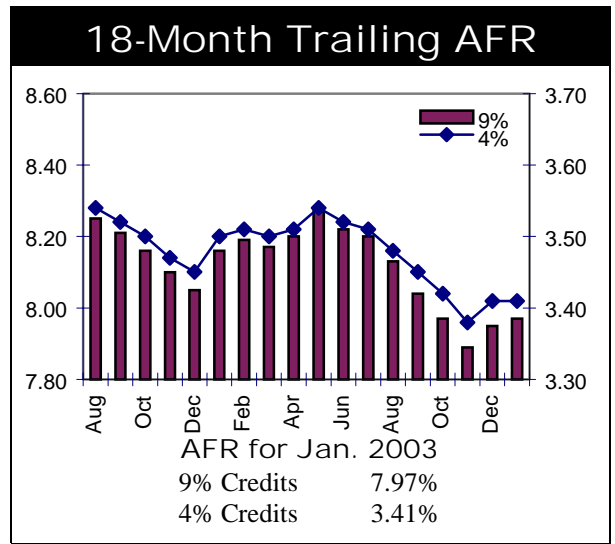


Relationship Profile: US Bank's Const/Perm Loan Program

Developers seeking "one stop" construction to perm loans on 4% and 9% tax credit properties should consider **US Bank's** affordable housing program. The program provides a combined construction to permanent financing package that is underwritten by a single source, saving developers time and money. The 9% program features competitive construction loan terms and a 15-year term, 30-year fully amortized permanent loan underwritten at a 1.15 DCR and a loan to value of 80% of appraised value (based on restricted NOI including tax credits). Competitive perm rates are determined by a formula set by the bank based on the 15 year CIP/treasury rate, and actual rates vary depending on creditworthiness of the project. This program can be used for new construction, acquisition rehab and refinancing. US Bank will also buy and hold tax-exempt bonds directly through a private placement on 4% properties and provide funds during construction, which can reduce underwriting and legal expenses significantly. WNC has acquired several properties utilizing US Bank's construction and permanent mortgages. This program was developed and is being used for projects within US Bank's CRA footprint. For more information on US Bank's program and how it works with WNC equity, please call Darrick Metz toll free at 888-798-0557.

WNC Partner Recognized

WNYHC (West New York Housing Corporation), was honored by the Governor of New Jersey at a recent housing conference for its work on Fillmore Towers, a project funded by WNC. The Governor's Excellence in Housing Award is given by the State of New Jersey Department of Community Affairs in recognition of contributions of those who promote, preserve and build affordable housing in New Jersey. WNYHC received this year's award in the category of Organization largely for its efficient and speedy work in Fillmore Towers, one of the New Jersey's largest affordable housing developments. Fillmore Towers is the third site of a 143-unit mixed income development in West New York which includes Madison Manor and Dewey Gardens. The development cost of the project totaled \$25,249,898, \$13,410,419 (53%) of which was funded by WNC equity.



Keeping Up with Rent and Utility Limits

With the close of 2002, property managers should expect new Section 8 limits to be released. Rent increases should be implemented within 45 days of the publication date, or on HUD's effective date, whichever is later. When calculating rents, properties with multilayered programs should pay close attention to consider all applicable set-asides, using the most restrictive rents. When calculating applicable income and rent limits, managers should also be careful not to round up to avoid the risk of moving in an over-income applicant or overcharging rents. Managers should also make sure tenant-paid utilities have been deducted from the maximum rent. Per *IRS Notice 89-6*, utility allowances "shall be updated at the time rents are revised" and must be put into effect within 90 days of receipt.

WNC Honors Key Employees

WNC paid tribute to five employees for their loyalty and service to the company. Charlyne Marin received a recognition award for her 10 years of service while Michael Gaber, Huey Hong and Paula Hall received recognition for five years of service. Additionally, the hard work and dedication of Brad Hurlbut paid off when he received WNC's employee of the year award.

Recent Publications—Neighbor Works and Harvard's Joint Center for Housing Studies, published the 47-page "Mixed-Income Housing Developments: Promise and Reality," which discusses the benefits, rationales behind, and objectives in mixed-income properties. For information on obtaining the study, call (800) 286-1135, x122.

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