



WNC Awarded NMTC Allocation

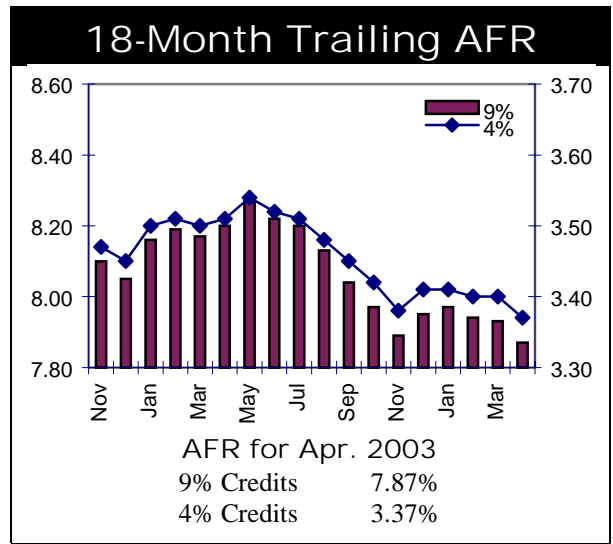
After a longer than anticipated evaluation process, the U.S. Department of Treasury has awarded WNC National Community Development Advisors LLC, a subsidiary of WNC & Associates, Inc., (WNC) \$50 million of New Markets Tax Credits (NMTC). Competition for this new tax credit was stiff, with 345 applicants submitting requests for allocation. Only 19% of applicants received an allocation. These requests totaled over \$25 billion, while the available allocation was only \$2.5 billion. WNC will invest in qualified businesses for regional allocation in California, New York and New Jersey. (See WNC website, www.wncinc.com/nmtc.html for description of qualified businesses.) WNC has raised over \$660 million for investments in low-income housing tax credits in these states.

The NMTC is a new tax credit that was enacted in 2000 to encourage private investment in economically disadvantaged areas as defined in low-income census tracts. Unlike the low-income housing tax credit, NMTC is designed for investment in qualified businesses (including commercial real estate) located in Low Income Communities. Residential rental housing does not qualify.

Dividend Tax Cut Raises Concerns; Future Becomes Uncertain

Although Americans would like to see their taxes cut, the low-income housing tax credit industry sees nothing but trouble in the current Bush dividend tax cut plan. If dividend taxes are eliminated, this would cause corporations to perceive the tax credit as a less attractive investment alternative. Ernst and Young has released a report, commissioned by the National Council of State Housing Agencies (NCSHA) which concluded that 40,000 fewer affordable rental units would be produced each year if the dividend plan were passed, because equity prices would fall. Those wishing to voice their opinion over the dividend cut should contact their congressman (www.congress.org). The Senate has recently approved a budget resolution which would limit the proposed tax cut to \$350 billion, thus making the future of the dividend cut questionable.

WNC Management Hires



New Vice President

Ed Peters has joined WNC Management, a subsidiary of WNC & Associates, as Vice President and Director of Operations. Ed brings to WNC more than twelve years of experience in all facets of property management. Prior to joining WNC Mr. Peters served as Vice President and Director of Property Management at Design Center Housing Services, Inc., a Los Angeles based owner-operator of affordable housing. Ed Peters holds two masters degrees, one each from Rutgers University and Antioch University. Ed will oversee WNC's management operations which includes 1,150 units in 18 communities.

WNC Closes 69th Tax Credit Fund

WNC recently closed its 69th tax credit fund, WNC Fund VI, Series 9 which represents \$15 million in equity; to date WNC has raised over \$800 million in equity for affordable housing investments. Fund VI, Series 9 is a national fund with 14 properties specified in 8 states, including Arkansas, Georgia, Illinois, Kansas, Michigan, Minnesota, Mississippi and South Dakota. Six of the properties will be new construction, and the remaining rehab. Eleven properties will be for families, and three for the elderly. WNC has had a previous working relationship with seven of the eight developers for this fund.

WNC Moving National Headquarters

WNC is moving its national headquarters. Its new office will be located in the city of Irvine at 17782 Skypark Circle, Irvine, CA 92614; the expected move date is late June 2003.

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