

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF MARCH 31, 2009**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 07

PAGE NO. 1-1998-07

SERIES DATE: 03/01/00

SERIES SOLD: 04/05/00

GENERAL INFORMATION:

Bonds Outstanding: 19,700,000
Bond Yield: 6.01%
Mortgage Loan Prin Outstanding: 17,357,823
Mortgage Rate(s): 6.50% - 7.25%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 82,966
Average Original Loan Amount: 79,319
Total No. of Loans Originated: 762
Total No. of Loans Paid Off: 505
Total No. of Loans Outstanding: 257

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

| | | | |
|----------------------|----------------|-----------------------|----------------|
| New Construction: | 31.91% | | |
| Existing Home: | <u>68.09%</u> | Private | 0.78% |
| Total | <u>100.00%</u> | FHA | 84.82% |
| | | VA | 6.23% |
| | | USDA | 8.17% |
| | | Guaranty Fund | <u>0.00%</u> |
| | | (less than 80.00 LTV) | |
| Fixed Rate Mortgages | 100.00% | Total | <u>100.00%</u> |
| Graduated Pmt Mtgs | 0.00% | | |
| Growing Equity Mtgs | 0.00% | | |
| Variable Rate Mtgs | <u>0.00%</u> | | |
| Total | <u>100.00%</u> | | |

Effective May 1, 2006

Trustee: The Bank of New York Mellon
10161 Centurion Parkway
Jacksonville, FL 32256
(904) 645-1956
Contact: Christine Boyd

Type of Housing:

Single Family Detached 90.66%
Condos/Townhouses 8.95%
Manufactured/Duplexes 0.39%
Total 100.00%

Breakdown of Private Mortgage Insurers
(List by % of total portfolio):

1998-07
GEMICO 0.78%
RMIC 0.00%
UG 0.00%
VEREX 0.00%

0.78%

Program: P.O. Box 28066
Raleigh, NC 27611-8066
(919) 877-5700
Contact:

Sharon Drewyor, Director of Home Ownership Lending (919) 877-5621
Elizabeth I. Rozakis, Chief Financial Officer (919) 877-5687

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

SELF-INSURANCE COVERAGE: Name of Self-Insurance Fund: Insurance Reserve Fund
Series of Bonds Covered: 1998 Series 07

Current Funding Requirements:
Total Dollar Amount (\$000) \$491
As % of Initial Principal Amount
of Mortgage Loans Purchased 1.20%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$755

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

| | | |
|----------------|-------|---|
| | % | |
| 60 days | 1.95% | 5 |
| 90 days | 2.72% | 7 |
| In Foreclosure | 1.17% | 3 |

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

| | | |
|--|-------|---------|
| | % | |
| | 2.03% | 352,090 |
| | 3.32% | 576,410 |
| | 1.23% | 213,487 |

No. of Loans Foreclosed to Date since 1/1/87 Not available
Foreclosed (Loss)/Gain to Date Not available
Net of Insurance Proceeds (\$000) Not available

Real Estate Owned
Number of Loans 0
Outstanding Mtg Amount
At time of Default \$0
Current Balance \$0

MORTGAGE LOAN SERVICERS:

| | | |
|-----------------|------------|----------------|
| Servicer | # of Loans | % of Portfolio |
| RBC Centura | 120 | 46.69% |
| Marsh | 85 | 33.07% |
| BB&T | 48 | 18.68% |
| Bank of America | 4 | <u>1.56%</u> |
| TOTAL | <u>257</u> | <u>100.00%</u> |

MORTGAGE LOAN RATES (BY BOND SERIES):

| | | |
|----------------|------------|----------|
| Series | # of Loans | Mtg Rate |
| 1998 SERIES 07 | 95 | 6.50% |
| | 92 | 6.95% |
| | 4 | 7.13% |
| | <u>66</u> | 7.25% |
| Total | <u>257</u> | |

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LIST OF BONDS BY MATURITY:

| CUSIP Number | Maturity Date | Bond Type | Interest Rate | Original Amount | Principal Matured | Principal Redemptions | Principal Outstanding | Bond Call Sequence (Note 1) |
|---------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820EE55 | 07/01/02 | Serial | 4.80% | \$840,000 | \$840,000 | \$0 | \$0 | 2 |
| 65820EE63 | 07/01/03 | Serial | 5.00% | 890,000 | 885,000 | 5,000 | 0 | 2 |
| 65820EE71 | 07/01/04 | Serial | 5.15% | 935,000 | 840,000 | 95,000 | 0 | 2 |
| 65820EE89 | 07/01/05 | Serial | 5.25% | 980,000 | 745,000 | 235,000 | 0 | 2 |
| 65820EE97 | 07/01/06 | Serial | 5.40% | 1,040,000 | 730,000 | 310,000 | 0 | 2 |
| 65820EF21 | 01/01/07 | Serial | 5.45% | 540,000 | 335,000 | 205,000 | 0 | 2 |
| 65820EF88 | 07/01/07 | Serial | 5.25% | 575,000 | 340,000 | 235,000 | 0 | 2 |
| 65820EF96 | 01/01/08 | Serial | 5.30% | 590,000 | 280,000 | 310,000 | 0 | 2 |
| 65820EG20 | 07/01/08 | Serial | 5.30% | 610,000 | 285,000 | 325,000 | 0 | 2 |
| 65820EG38 | 01/01/09 | Serial | 5.35% | 625,000 | 290,000 | 335,000 | 0 | 2 |
| 65820EG46 | 07/01/09 | Serial | 5.35% | 635,000 | 0 | 340,000 | 295,000 | 2 |
| 65820EG53 | 01/01/10 | Serial | 5.40% | 665,000 | 0 | 360,000 | 305,000 | 2 |
| 65820EG61 | 07/01/10 | Serial | 5.40% | 680,000 | 0 | 365,000 | 315,000 | 2 |
| 65820EG79 | 01/01/11 | Serial | 5.45% | 700,000 | 0 | 370,000 | 330,000 | 2 |
| 65820EG87 | 07/01/11 | Serial | 5.45% | 715,000 | 0 | 385,000 | 330,000 | 2 |
| 65820EG95 | 01/01/12 | Serial | 5.50% | 740,000 | 0 | 400,000 | 340,000 | 2 |
| 65820EH29 | 07/01/12 | Serial | 5.50% | 765,000 | 0 | 415,000 | 350,000 | 2 |
| 65820EF39 | 07/01/16 | Term (Note 2) | 6.00% | 6,685,000 | 0 | 3,590,000 | 3,095,000 | 2 |
| 65820EF47 | 01/01/20 | Term (Note 3) | 6.15% | 7,370,000 | 0 | 3,930,000 | 3,440,000 | 2 |
| 65820EF54 | 01/01/25 | Term (Note 4) | 5.55% | 14,000,000 | 0 | 14,000,000 | 0 | 1 |
| 65820EF62 | 01/01/29 | Term (Note 5) | 6.25% | 13,820,000 | 0 | 7,590,000 | 6,230,000 | 2 |
| 65820EF70 | 07/01/31 | Term (Note 6) | 6.25% | 10,600,000 | 0 | 5,930,000 | 4,670,000 | 2 |
| Total 1998 Series 7 | | | | \$65,000,000 | \$5,570,000 | \$39,730,000 | \$19,700,000 | |

Note 1: See optional and special redemption provisions page 4-1998-07, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2013.

Note 3: Sinking fund redemptions begin January 1, 2017.

Note 4: Sinking fund redemptions begin July 1, 2020.

Note 5: Sinking fund redemptions begin July 1, 2025.

Note 6: Sinking fund redemptions begin July 1, 2029.

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|--------------|----------------------------|--------------|----------------------|
| 10/01/01 | \$140,000 | Supersinker | Prepayments |
| 01/01/02 | \$115,000 | Supersinker | Prepayments |
| 01/01/02 | \$5,000 | Pro rata | Debt Service Reserve |
| 04/15/02 | \$860,000 | Supersinker | Prepayments |
| 04/15/02 | \$270,000 | Pro rata | Prepayments |
| 04/15/02 | \$20,000 | Pro rata | Debt Service Reserve |
| 07/01/02 | \$480,000 | Supersinker | Prepayments |
| 07/01/02 | \$25,000 | Pro rata | Debt Service Reserve |
| 01/01/03 | \$1,990,000 | Supersinker | Prepayments |
| 06/01/03 | \$1,640,000 | Pro rata | Prepayments |
| 06/01/03 | \$75,000 | Pro rata | Debt Service Reserve |
| 06/01/03 | \$515,000 | Pro rata | Prepayments |
| 10/01/03 | \$1,660,000 | Supersinker | Prepayments |
| 10/01/03 | \$2,110,000 | Pro rata | Prepayments |
| 10/01/03 | \$105,000 | Pro rata | Debt Service Reserve |
| 10/01/03 | \$585,000 | Pro rata | Prepayments |
| 01/01/04 | \$1,690,000 | Supersinker | Prepayments |
| 05/01/04 | \$440,000 | Supersinker | Prepayments |
| 05/01/04 | \$3,655,000 | Pro rata | Prepayments |
| 09/01/04 | \$1,195,000 | Supersinker | Prepayments |
| 09/01/04 | \$2,095,000 | Pro rata | Prepayments |
| 09/01/04 | \$210,000 | Pro rata | Debt Service Reserve |
| 01/01/05 | \$1,575,000 | Supersinker | Prepayments |
| 01/01/05 | \$485,000 | Pro rata | Prepayments |
| 01/01/05 | \$50,000 | Pro rata | Debt Service Reserve |
| 05/01/05 | \$1,520,000 | Supersinker | Prepayments |
| 05/01/05 | \$320,000 | Pro rata | Prepayments |
| 05/01/05 | \$35,000 | Pro rata | Debt Service Reserve |
| 10/01/05 | \$220,000 | Pro rata | Prepayments |
| 04/01/06 | \$1,460,000 | Supersinker | Prepayments |
| 04/01/06 | \$2,745,000 | Pro rata | Prepayments |
| 04/01/06 | \$105,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | \$875,000 | Supersinker | Prepayments |
| 08/01/06 | \$3,190,000 | Pro rata | Prepayments |
| 08/01/06 | \$85,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | \$1,750,000 | Pro rata | Prepayments |
| 01/01/07 | \$50,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | \$90,000 | Pro rata | Prepayments |
| 05/01/07 | \$10,000 | Pro rata | Debt Service Reserve |
| 11/01/07 | \$4,085,000 | Pro rata | Prepayments |
| 11/01/07 | \$85,000 | Pro rata | Debt Service Reserve |
| 02/01/08 | \$670,000 | Pro rata | Prepayments |
| 02/01/08 | \$20,000 | Pro rata | Debt Service Reserve |
| 07/01/08 | \$260,000 | Pro rata | Prepayments |
| 01/01/09 | \$140,000 | Pro rata | Prepayments |
| 01/01/09 | <u>\$25,000</u> | Pro rata | Debt Service Reserve |
| TOTAL | <u>\$39,730,000</u> | | |

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Bond Call Information:

Special Redemption

The 1998 Series 7 bonds may be redeemed in whole or in part on any date at the principal amount plus accrued interest to the date of redemption, from:

- (i) unexpended proceeds,
- (ii) prepayments of mortgage loans financed with the proceeds of the Series 7, and
- (iii) excess revenues transferred from the revenue reserve fund,
- (iv) moneys withdrawn from the debt service reserve fund in connection with an excess over the debt service reserve requirement, and
- (v) from prepayments of mortgage loans financed with proceeds from series of bonds issued other than the Series 7 bond and from certain moneys in excess of the debt service reserve requirement on deposit in the debt service reserve Fund ("Cross Call Redemption").

Prepayments on mortgage loans financed with the proceeds of the Series 7 bonds shall first be applied to the redemption or purchase of Series 7 Term bonds due January 1, 2025 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement and from excess revenues in the revenue reserve fund shall be applied to the redemption of the Series 7 bonds in any manner. Moneys to be applied to redemption from prepayments in excess of the scheduled principal amounts or from cross call redemption sources, shall be applied pro rata. However, the Agency may redeem on other than a pro rata basis, if the Agency files a notice with the Trustee together with a cash flow certificate.

Optional Redemption

The Series 7 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2009, either as a whole, on any date, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.