

**NORTH CAROLINA HOUSING FINANCE AGENCY  
DISCLOSURE REPORT  
AS OF MARCH 31, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)  
BOND SERIES: SERIES 10

PAGE NO. 1-1998-10

SERIES DATE: 3/15/01

SERIES SOLD: 4/26/01

**NOTE: Refunded (1985 Single Family Resolution) Series J/K, L/M, and N/O. See page 2.**

| GENERAL INFORMATION:            |               | LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING) |                |                       |                |
|---------------------------------|---------------|--|----------------|-----------------------|----------------|
| Bonds Outstanding:              | 20,825,000    | New Construction:  | 26.43%         |                       |                |
| Bond Yield                      | 4.84%         | Existing Home:   | <u>73.57%</u>  | Private               | 7.57%          |
| Mortgage Loan Prin Outstanding  | 24,375,109    | Total  | <u>100.00%</u> | FHA                   | 84.17%         |
| Mortgage Rate(s)                | 5.13% - 8.38% |  |                | VA                    | 2.44%          |
| Outstanding Commitments:        | 0             |  |                | USDA                  | 4.73%          |
| Uncommitted Lendable Funds:     | 0             |  |                | Guaranty Fund         | 0.00%          |
|                                 |               | Fixed Rate Mortgages   | 100.00%        | Other                 |                |
| Average Purchase Price:         | 24,028        | Graduated Prmt Mtgs  | 0.00%          | (less than 80.00 LTV) | <u>1.09%</u>   |
| Average Original Loan Amount:   | 23,413        | Growing Equity Mtgs  | 0.00%          | Total                 | <u>100.00%</u> |
| Total No. of Loans Originated:  | 1,079 *       | Variable Rate Mtgs   | <u>0.00%</u>   |                       |                |
| Total No. of Loans Paid Off:    | 637           | Total  | <u>100.00%</u> |                       |                |
| Total No. of Loans Outstanding: | 442           |  |                |                       |                |

**Effective May 1, 2006**

|          |   |                  |   |  |
|----------|---|------------------|---|--|
| Trustee: | The Bank of New York Trust Company, NA<br>10161 Centurion Parkway<br>Jacksonville, FL 32256<br>(904) 645-1956<br>Contact: Christine Boyd  | Type of Housing: | Single Family Detached<br>Condos/Townhouses<br>Manufactured/Duplexes<br>Total | Breakdown of Private Mortgage Insurers<br>(List by % of total portfolio):  |
|          |   |                  | 86.44%<br>11.27%<br><u>2.29%</u><br><u>100.00%</u>                            | 1998-10<br>GEMICO 5.15%<br>RMIC 1.05%<br>UG 0.07%<br>PMI 0.31%<br>MGIC 0.06%<br>TRIAD 0.14%<br>RADIAN <u>0.79%</u><br><br><u>7.57%</u> |
| Program: | P.O. Box 28066<br>Raleigh, NC 27611-8066<br>(919) 877-5700<br>Contact:<br>Sharon Drewyor, Director of Home Ownership Lending (919) 877-5621<br>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<br>Series of Bonds Covered: 1998 Series 10 | Current Funding Requirements:                                   |       |
|                          |  | Total Dollar Amount (\$000)                                     | \$745 |
|                          |  | As % of Initial Principal Amount<br>of Mortgage Loans Purchased | 1.24% |
|                          |  | Claims to Date  | 0     |

NOTE: Funded by Ambac surety bond for \$745,000

Maximum level of funding required over the life of the bonds (\$000) \$745

| DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING): |       |   | (AS % OF PRINCIPAL BALANCE OUTSTANDING): |         |  |
|---|-------|---|--|---------|--|
|   | %     | # | %  | \$      |  |
| 60 days   | 1.36% | 6 | 1.40%                                    | 340,115 |  |
| 90 days   | 1.36% | 6 | 1.20%                                    | 291,710 |  |
| In Foreclosure  | 0.45% | 2 | 0.38%                                    | 92,594  |  |

|  |               |                        |     |
|--|---------------|------------------------|-----|
| No. of Loans Foreclosed to Date since 1/1/87 | Not available | Real Estate Owned      |     |
| Foreclosed (Loss)/Gain to Date               | Not available | Number of Loans        | 0   |
| Net of Insurance Proceeds (\$000)            | Not available | Outstanding Mtg Amount |     |
|  |               | At time of Default     | \$0 |
|  |               | Current Balance        | \$0 |

| MORTGAGE LOAN SERVICERS: |            |                | MORTGAGE LOAN RATES (BY BOND SERIES): |            |               |
|--------------------------|------------|----------------|---------------------------------------|------------|---------------|
| Servicer                 | # of Loans | % of Portfolio | Series                                | # of Loans | Mtg Rate      |
|                          |            |                | 1998 SERIES 10                        | 203        | 5.13% - 5.99% |
| Marsh                    | 146        | 33.00%         |                                       | 13         | 6.00%         |
| RBC Centura              | 137        | 30.98%         |                                       | 6          | 6.25%         |
| BB&T                     | 130        | 29.40%         |                                       | 21         | 7.90%         |
| Bank of America          | 25         | 5.68%          |                                       | 114        | 8.15%         |
| NCHFA                    | 3          | 0.68%          |                                       | <u>85</u>  | 8.38%         |
| SECU                     | <u>1</u>   | <u>0.26%</u>   |                                       |            |               |
| Total                    | <u>442</u> | <u>100.00%</u> | Total                                 | <u>442</u> |               |

\* Includes 760 loans purchased from Home Ownership Revenue Bonds (1985 Resolution) Series J/K, L/M, & N/O with a total principal balance of \$33,056,544.50 as of April 26, 2001.

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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) |
|----------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820EQ52            | 07/01/03      | Serial        | 3.45%         | \$770,000       | \$675,000         | \$95,000              | \$0                   | 2                           |
| 65820EQ60            | 07/01/04      | Serial        | 3.60%         | 1,605,000       | 1,300,000         | 305,000               | 0                     | 2                           |
| 65820EQ78            | 07/01/05      | Serial        | 3.70%         | 1,700,000       | 1,235,000         | 465,000               | 0                     | 2                           |
| 65820EQ86            | 07/01/06      | Serial        | 3.80%         | 1,795,000       | 1,190,000         | 605,000               | 0                     | 2                           |
| 65820EQ94            | 07/01/07      | Serial        | 3.95%         | 1,905,000       | 1,270,000         | 635,000               | 0                     | 2                           |
| 65820ER28            | 07/01/08      | Serial        | 4.05%         | 2,015,000       | 0                 | 695,000               | 1,320,000             | 2                           |
| 65820ER36            | 07/01/09      | Serial        | 4.15%         | 2,130,000       | 0                 | 745,000               | 1,385,000             | 2                           |
| 65820ER44            | 07/01/10      | Serial        | 4.25%         | 2,255,000       | 0                 | 775,000               | 1,480,000             | 2                           |
| 65820ER51            | 07/01/11      | Serial        | 4.35%         | 2,390,000       | 0                 | 815,000               | 1,575,000             | 2                           |
| 65820ER69            | 07/01/12      | Serial        | 4.50%         | 2,530,000       | 0                 | 870,000               | 1,660,000             | 2                           |
| 65820ER77            | 07/01/15      | Term (Note 2) | 4.90%         | 7,145,000       | 0                 | 2,615,000             | 4,530,000             | 2                           |
| 65820EQ29            | 01/01/20      | Term (Note 3) | 4.30%         | 17,210,000      | 0                 | 16,955,000            | 255,000               | 1                           |
| 65820EQ37            | 07/01/32      | Term (Note 4) | 5.40%         | 11,550,000      | 0                 | 4,930,000             | 6,620,000             | 2                           |
| 65820EQ45            | 01/01/33      | Term (Note 5) | 5.40%         | 5,000,000       | 0                 | 3,000,000             | 2,000,000             | 2                           |
| Total 1998 Series 10 |               |               |               | \$60,000,000    | \$5,670,000       | \$33,505,000          | \$20,825,000          |                             |

Note 1: See optional and special redemption provisions page 4-1998-10, (i.e. "1" denotes first call priority from prepayments).

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

Note 3: Sinking fund redemptions begin July 1, 2015.

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

**OPTIONAL REFUNDING TRANSACTION**

Home Ownership Revenue Bonds (1998 Resolution) on April 26, 2001 purchased 170 loans with a principal balance of \$7,125,225 from Single Family Revenue Bonds (1985 Resolution) Series J/K, 313 loans with a principal balance of \$13,780,817 from Series L/M, and 277 loans with a principal balance of 12,150,501 from Series N/O.

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**LIST OF UNSCHEDULED REDEMPTIONS:**

| Call Date    | Call Amount                | Type of Call | Source Of Funds |
|--------------|----------------------------|--------------|-----------------|
| 10/01/01     | \$1,035,000                | Supersinker  | Prepayments     |
| 10/01/01     | 840,000                    | Pro rata     | Prepayments     |
| 01/01/02     | 1,865,000                  | Pro rata     | Prepayments     |
| 04/15/02     | 2,305,000                  | Pro rata     | Prepayments     |
| 07/01/02     | 1,040,000                  | Supersinker  | Prepayments     |
| 07/01/02     | 70,000                     | Pro rata     | Prepayments     |
| 01/01/03     | 1,125,000                  | Supersinker  | Prepayments     |
| 01/01/03     | 695,000                    | Pro rata     | Prepayments     |
| 06/01/03     | 435,000                    | Pro rata     | Prepayments     |
| 06/01/03     | 2,125,000                  | Pro rata     | Prepayments     |
| 10/01/03     | 475,000                    | Supersinker  | Prepayments     |
| 10/01/03     | 785,000                    | Supersinker  | Prepayments     |
| 10/01/03     | 580,000                    | Pro rata     | Prepayments     |
| 01/01/04     | 1,395,000                  | Supersinker  | Prepayments     |
| 01/01/04     | 645,000                    | Pro rata     | Prepayments     |
| 05/01/04     | 895,000                    | Supersinker  | Prepayments     |
| 05/01/04     | 2,475,000                  | Pro rata     | Prepayments     |
| 09/01/04     | 615,000                    | Supersinker  | Prepayments     |
| 09/01/04     | 1,275,000                  | Pro rata     | Prepayments     |
| 01/01/05     | 1,585,000                  | Supersinker  | Prepayments     |
| 01/01/05     | 145,000                    | Pro rata     | Prepayments     |
| 05/01/05     | 1,560,000                  | Supersinker  | Prepayments     |
| 05/01/05     | 495,000                    | Pro rata     | Prepayments     |
| 10/01/05     | 720,000                    | Pro rata     | Prepayments     |
| 04/01/06     | 1,500,000                  | Supersinker  | Prepayments     |
| 04/01/06     | 1,460,000                  | Pro rata     | Prepayments     |
| 08/01/06     | 735,000                    | Supersinker  | Prepayments     |
| 01/01/07     | 1,735,000                  | Supersinker  | Prepayments     |
| 05/01/07     | 760,000                    | Supersinker  | Prepayments     |
| 11/01/07     | 890,000                    | Supersinker  | Prepayments     |
| 11/01/07     | 420,000                    | Pro rata     | Prepayments     |
| 02/01/08     | <u>825,000</u>             | Supersinker  | Prepayments     |
| <b>TOTAL</b> | <b><u>\$33,505,000</u></b> |              |                 |

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**Bond Call Information:**

**Special Redemption**

The 1998 Series 10 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 10, 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 10 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 10 bonds shall first be applied to the redemption or purchase of Series 10 Term bonds due January 1, 2020 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 10 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 10 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after July 1, 2010, 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.