

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

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 03

PAGE NO. 1-1998-03

SERIES DATE: 02/01/99 SERIES SOLD: 03/11/99

| GENERAL INFORMATION: | | LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING) | | | |
|---------------------------------|---------------|--|---------|---------------|-----------------------|
| Bonds Outstanding: | 25,295,000 | New Construction: | 27.32% | Private | 0.00% |
| Bond Yield | 4.98% | Existing Home: | 72.68% | FHA | 90.44% |
| Mortgage Loan Prin Outstanding | 24,778,347 | Total | 100.00% | VA | 2.19% |
| Mortgage Rate(s) | 5.75% - 6.95% | Fixed Rate Mortgages | 100.00% | USDA | 7.10% |
| Outstanding Commitments: | 0 | Graduated Pmt Mtgs | 0.00% | Guaranty Fund | 0.00% |
| Uncommitted Lendable Funds: | 0 | Growing Equity Mtgs | 0.00% | Other | (less than 80.00 LTV) |
| Average Purchase Price: | 81,855 | Variable Rate Mtgs | 0.00% | Total | 100.00% |
| Average Original Loan Amount: | 79,939 | Total | 100.00% | | |
| Total No. of Loans Originated: | 770 | | | | |
| Total No. of Loans Paid Off: | 404 | | | | |
| Total No. of Loans Outstanding: | 366 | | | | |

| Effective May 1, 2006 | | Type of Housing: | | Breakdown of Private Mortgage Insurers (List by % of total portfolio): | |
|-----------------------|---|------------------------|---------|---|-------|
| Trustee: | The Bank of New York Trust Company, NA 10161 Centurion Parkway Jacksonville, FL 32256 (904) 645-1956 Contact: Christine Boyd | Single Family Detached | 94.26% | 1998-03 | |
| | | Condos/Townhouses | 5.47% | GEMICO | 0.00% |
| | | Manufactured/Duplexes | 0.27% | RMIC | 0.00% |
| | | Total | 100.00% | UG | 0.00% |
| 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 | | | VEREX | 0.00% |

POOL INSURANCE COVERAGE (DOLLARS IN THOUSANDS): None

| SELF-INSURANCE COVERAGE: | Name of Self-Insurance Fund: | Insurance Reserve Fund | Current Funding Requirements: |
|--------------------------|--|------------------------|--|
| | Series of Bonds Covered: | 1998 Series 03 | Total Dollar Amount (\$000) \$452 |
| | | | As % of Initial Principal Amount of Mortgage Loans Purchased 1.23% |
| | | | Claims to Date 0 |
| | Maximum level of funding required over the life of the bonds (\$000) | | \$775 |

| DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING): | | | (AS % OF PRINCIPAL BALANCE OUTSTANDING): | | |
|---|-------|---|--|---------|--|
| | % | # | % | \$ | |
| 60 days | 1.37% | 5 | 1.39% | 344,819 | |
| 90 days | 1.37% | 5 | 1.54% | 381,121 | |
| In Foreclosure | 0.82% | 3 | 0.76% | 187,478 | |

| | | | |
|--|---------------|------------------------|-----|
| 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 |
| RBC Centura | 159 | 43.44% | 1998 SERIES 03 | 261 | 5.75% |
| Marsh | 112 | 30.60% | | 100 | 6.65% |
| BB&T | 80 | 21.86% | | 5 | 6.95% |
| Bank of America | 15 | 4.10% | Total | 366 | |
| TOTAL | 366 | 100.00% | | | |

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

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 03

PAGE NO. 2-1998-03

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) |
|---------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 65820EXK1 | 01/01/01 | Serial | 3.600% | \$520,000 | \$520,000 | \$0 | \$0 | 2 |
| 65820EXL9 | 07/01/01 | Serial | 3.600% | 535,000 | 535,000 | 0 | 0 | 2 |
| 65820EXM7 | 01/01/02 | Serial | 3.800% | 540,000 | 540,000 | 0 | 0 | 2 |
| 65820EXN5 | 07/01/02 | Serial | 3.800% | 555,000 | 555,000 | 0 | 0 | 2 |
| 65820EXP0 | 01/01/03 | Serial | 3.900% | 565,000 | 565,000 | 0 | 0 | 2 |
| 65820EXQ8 | 07/01/03 | Serial | 3.900% | 575,000 | 575,000 | 0 | 0 | 2 |
| 65820EXR6 | 01/01/04 | Serial | 4.000% | 595,000 | 595,000 | 0 | 0 | 2 |
| 65820EXS4 | 07/01/04 | Serial | 4.000% | 595,000 | 595,000 | 0 | 0 | 2 |
| 65820EXT2 | 01/01/05 | Serial | 4.100% | 610,000 | 560,000 | 50,000 | 0 | 2 |
| 65820EXU9 | 07/01/05 | Serial | 4.100% | 625,000 | 565,000 | 60,000 | 0 | 2 |
| 65820EXV7 | 01/01/06 | Serial | 4.200% | 640,000 | 540,000 | 100,000 | 0 | 2 |
| 65820EXW5 | 07/01/06 | Serial | 4.200% | 650,000 | 490,000 | 160,000 | 0 | 2 |
| 65820EXX3 | 01/01/07 | Serial | 4.300% | 665,000 | 480,000 | 185,000 | 0 | 2 |
| 65820EYB0 | 07/01/07 | Serial | 4.100% | 665,000 | 445,000 | 220,000 | 0 | 2 |
| 65820EYC8 | 01/01/08 | Serial | 4.250% | 675,000 | 420,000 | 255,000 | 0 | 2 |
| 65820EYD6 | 07/01/08 | Serial | 4.250% | 695,000 | 0 | 275,000 | 420,000 | 2 |
| 65820EYE4 | 01/01/09 | Serial | 4.350% | 705,000 | 0 | 280,000 | 425,000 | 2 |
| 65820EYF1 | 07/01/09 | Serial | 4.350% | 720,000 | 0 | 285,000 | 435,000 | 2 |
| 65820EYG9 | 01/01/10 | Serial | 4.450% | 735,000 | 0 | 295,000 | 440,000 | 2 |
| 65820EYH7 | 07/01/10 | Serial | 4.450% | 755,000 | 0 | 300,000 | 455,000 | 2 |
| 65820EYJ3 | 01/01/11 | Serial | 4.550% | 770,000 | 0 | 305,000 | 465,000 | 2 |
| 65820EYK0 | 07/01/11 | Serial | 4.550% | 785,000 | 0 | 320,000 | 465,000 | 2 |
| 65820EYX1 | 01/01/19 | Term (Note 2) | 5.150% | 14,700,000 | 0 | 5,815,000 | 8,885,000 | 2 |
| 65820EXZ8 | 01/01/24 | Term (Note 3) | 4.550% | 13,255,000 | 0 | 13,255,000 | 0 | 1 |
| 65820EYL8 | 07/01/26 | Term (Note 4) | 5.200% | 6,870,000 | 0 | 2,765,000 | 4,105,000 | 2 |
| 35820EYA2 | 07/01/30 | Term (Note 5) | 5.200% | 16,000,000 | 0 | 6,800,000 | 9,200,000 | 2 |
| Total 1998 Series 3 | | | | \$65,000,000 | \$7,980,000 | \$31,725,000 | \$25,295,000 | |

Note 1: See optional and special redemption provisions page 4-98-03, (i.e. "1" denotes first call priority from prepayments).
 Note 2: Sinking fund redemptions begin January 1, 2019.
 Note 3: Sinking fund redemptions begin January 1, 2024.
 Note 4: Sinking fund redemptions begin July 1, 2026.
 Note 5: Sinking fund redemptions begin July 1, 2030.

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

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 03

PAGE NO. 3-1998-03

LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|--------------|----------------------------|--------------|----------------------|
| 05/01/00 | \$100,000 | Supersinker | Prepayments |
| 05/01/00 | 10,000 | Pro rata | Debt Service Reserve |
| 01/01/01 | 775,000 | Supersinker | Prepayments |
| 01/01/01 | 15,000 | Pro rata | Debt Service Reserve |
| 06/01/01 | 425,000 | Supersinker | Prepayments |
| 06/01/01 | 30,000 | Pro rata | Debt Service Reserve |
| 10/01/01 | 680,000 | Supersinker | Prepayments |
| 10/01/01 | 15,000 | Pro rata | Debt Service Reserve |
| 01/01/02 | 1,005,000 | Supersinker | Prepayments |
| 01/01/02 | 30,000 | Pro rata | Debt Service Reserve |
| 04/15/02 | 140,000 | Supersinker | Prepayments |
| 04/15/02 | 5,000 | Pro rata | Debt Service Reserve |
| 07/01/02 | 510,000 | Supersinker | Prepayments |
| 07/01/02 | 20,000 | Pro rata | Debt Service Reserve |
| 01/01/03 | 1,485,000 | Supersinker | Prepayments |
| 06/01/03 | 2,115,000 | Supersinker | Prepayments |
| 10/01/03 | 10,000 | Supersinker | Prepayments |
| 10/01/03 | 95,000 | Pro rata | Debt Service Reserve |
| 10/01/03 | 1,600,000 | Supersinker | Prepayments |
| 01/01/04 | 1,550,000 | Supersinker | Prepayments |
| 05/01/04 | 480,000 | Supersinker | Prepayments |
| 05/01/04 | 3,270,000 | Pro rata | Prepayments |
| 09/01/04 | 1,015,000 | Supersinker | Prepayments |
| 09/01/04 | 435,000 | Pro rata | Prepayments |
| 09/01/04 | 195,000 | Pro rata | Debt Service Reserve |
| 01/01/05 | 1,365,000 | Supersinker | Prepayments |
| 01/01/05 | 840,000 | Pro rata | Prepayments |
| 01/01/05 | 45,000 | Pro rata | Debt Service Reserve |
| 05/01/05 | 2,760,000 | Pro rata | Prepayments |
| 05/01/05 | 70,000 | Pro rata | Debt Service Reserve |
| 10/01/05 | 335,000 | Pro rata | Prepayments |
| 04/01/06 | 3,875,000 | Pro rata | Prepayments |
| 04/01/06 | 95,000 | Pro rata | Debt Service Reserve |
| 08/01/06 | 1,120,000 | Pro rata | Prepayments |
| 08/01/06 | 35,000 | Pro rata | Debt Service Reserve |
| 01/01/07 | 2,155,000 | Pro rata | Prepayments |
| 01/01/07 | 55,000 | Pro rata | Debt Service Reserve |
| 05/01/07 | 1,020,000 | Pro rata | Prepayments |
| 05/01/07 | 30,000 | Pro rata | Debt Service Reserve |
| 11/01/07 | 1,190,000 | Pro rata | Prepayments |
| 11/01/07 | 35,000 | Pro rata | Debt Service Reserve |
| 02/01/08 | 675,000 | Pro rata | Prepayments |
| 02/01/08 | <u>15,000</u> | Pro rata | Debt Service Reserve |
| TOTAL | <u>\$31,725,000</u> | | |

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

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 03

PAGE NO. 4-1998-03

Bond Call Information:

Special Redemption

The 1998 Series 3 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) excess revenues transferred from the revenue reserve fund,
- (iii) prepayments of mortgage loans financed with the proceeds of the Series 3, and
- (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 3 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 3 bonds shall first be applied to the redemption or purchase of Series 3 Term bonds due January 1, 2024 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 3 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 3 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2009, either as a whole, on any date, or in part, on any interest payment date, at the following redemption prices, plus accrued interest to the date of redemption.

| Period (Both Dates Inclusive) | Redemption Price (Expressed as a Percentage) |
|--|---|
| January 1, 2009 - December 31, 2009 | 101.00% |
| January 1, 2010 and thereafter | 100.00% |