

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF JUNE 30, 2008**

INDENTURE: SINGLE FAMILY REVENUE BONDS (1998 RESOLUTION)
BOND SERIES: SERIES 28

PAGE NO. 1-1998-28

SERIES DATE: 03/28/07

SERIES SOLD: 04/25/07

GENERAL INFORMATION:

Bonds Outstanding: 64,455,000
Bond Yield 4.55%
Mortgage Loan Prin Outstanding 62,765,689
Mortgage Rate(s) 5.50% - 5.99%
Outstanding Commitments: 414,392
Uncommitted Lendable Funds: 0

Average Purchase Price: 122,060
Average Original Loan Amount: 116,511
Total No. of Loans Originated: 553
Total No. of Loans Paid Off: 6
Total No. of Loans Outstanding: 547

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 22.67%
Existing Home: 77.33%
Total 100.00%

Fixed Rate Mortgages 100.00%
Graduated Pmt Mtgs 0.00%
Growing Equity Mtgs 0.00%
Variable Rate Mtgs 0.00%
Total 100.00%

Private 69.29%
FHA 10.24%
VA 7.49%
USDA 4.75%
Guaranty Fund 0.00%
Other (less than 80.00 LTV) 8.23%
Total 100.00%

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 76.05%
Condos/Townhouses 22.30%
Manufactured/Duplexes 1.65%
Total 100.00%

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

1998-28
GEMICO 38.03%
MGIC 14.26%
RMIC 5.12%
PMI 1.10%
RADIAN 0.18%
UG 8.96%
CMG 0.18%
TRIAD 1.46%

Total: 69.29%

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 28

Current Funding Requirements:
Total Dollar Amount (\$000) \$710
As % of Initial Principal Amount of Mortgage Loans Purchased 0.00%
Claims to Date 0

Maximum level of funding required over the life of the bonds (\$000) \$710

DELINQUENCY STATISTICS (AS A % OF LOANS OUTSTANDING):

| | % | # |
|----------------|-------|---|
| 60 days | 0.55% | 3 |
| 90 days | 0.00% | 0 |
| In Foreclosure | 0.37% | 2 |

(AS % OF PRINCIPAL BALANCE OUTSTANDING):

| | % | \$ |
|--|-------|---------|
| | 0.53% | 334,832 |
| | 0.00% | 0 |
| | 0.33% | 206,407 |

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

Real Estate Owned
Number of Loans 1
Outstanding Mtg Amount
At time of Default \$107,535
Current Balance \$107,535

MORTGAGE LOAN SERVICERS:

| Servicer | # of Loans | % of Portfolio |
|-------------|------------|----------------|
| Marsh | 221 | 40.40% |
| BB&T | 162 | 29.62% |
| RBC Centura | 152 | 27.79% |
| SECU | <u>12</u> | <u>2.19%</u> |
| Total | <u>547</u> | <u>100.00%</u> |

MORTGAGE LOAN RATES (BY BOND SERIES):

| Series | # of Loans | Mtg Rate |
|----------------|------------|--------------|
| 1998 SERIES 28 | 124 | 5.50% |
| | 320 | 5.63% |
| | 49 | 5.75% |
| | 44 | 5.88% |
| | <u>10</u> | <u>5.99%</u> |
| Total | <u>547</u> | |

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) |
|----------------------|---------------|---------------|---------------|-----------------|-------------------|-----------------------|-----------------------|-----------------------------|
| 658207EB7 | 07/01/08 | Serial | 3.50% | 210,000 | 210,000 | 0 | 0 | 2 |
| 658207DM4 | 07/01/09 | Serial | 3.80% | 495,000 | 0 | 0 | 495,000 | 2 |
| 658207DN2 | 01/01/10 | Serial | 3.90% | 505,000 | 0 | 0 | 505,000 | 2 |
| 658207DP7 | 07/01/10 | Serial | 3.90% | 515,000 | 0 | 0 | 515,000 | 2 |
| 658207EC5 | 01/01/11 | Serial | 3.55% | 525,000 | 0 | 0 | 525,000 | 2 |
| 658207ED3 | 07/01/11 | Serial | 3.55% | 250,000 | 0 | 0 | 250,000 | 2 |
| 658207DQ5 | 07/01/11 | Serial | 3.95% | 285,000 | 0 | 0 | 285,000 | 2 |
| 658207EE1 | 01/01/12 | Serial | 3.60% | 545,000 | 0 | 0 | 545,000 | 2 |
| 658207DR3 | 07/01/12 | Serial | 4.00% | 560,000 | 0 | 0 | 560,000 | 2 |
| 658207DS1 | 01/01/13 | Serial | 4.05% | 570,000 | 0 | 0 | 570,000 | 2 |
| 658207EF8 | 07/01/13 | Serial | 3.65% | 255,000 | 0 | 0 | 255,000 | 2 |
| 658207DT9 | 07/01/13 | Serial | 4.05% | 330,000 | 0 | 0 | 330,000 | 2 |
| 658207DU6 | 01/01/14 | Serial | 4.10% | 595,000 | 0 | 0 | 595,000 | 2 |
| 658207DV4 | 07/01/14 | Serial | 4.10% | 610,000 | 0 | 0 | 610,000 | 2 |
| 658207EG6 | 01/01/15 | Serial | 3.75% | 620,000 | 0 | 0 | 620,000 | 2 |
| 658207EH4 | 07/01/15 | Serial | 3.75% | 635,000 | 0 | 0 | 635,000 | 2 |
| 658207EJ0 | 01/01/16 | Serial | 3.80% | 650,000 | 0 | 0 | 650,000 | 2 |
| 658207EK7 | 07/01/16 | Serial | 3.80% | 665,000 | 0 | 0 | 665,000 | 2 |
| 658207EL5 | 01/01/17 | Serial | 3.85% | 680,000 | 0 | 0 | 680,000 | 2 |
| 658207EM3 | 07/01/17 | Serial | 3.85% | 695,000 | 0 | 0 | 695,000 | 2 |
| 658207DW2 | 07/01/23 | Term (Note 2) | 4.65% | 6,640,000 | 0 | 0 | 6,640,000 | 2 |
| 658207DX0 | 07/01/29 | Term (Note 3) | 4.70% | 8,305,000 | 0 | 0 | 8,305,000 | 2 |
| 658207DY8 | 07/01/33 | Term (Note 4) | 4.75% | 7,195,000 | 0 | 0 | 7,195,000 | 2 |
| 658207DZ5 | 07/01/38 | Term (Note 5) | 5.50% | 19,500,000 | 0 | 335,000 | 19,165,000 | 2 |
| 658207EA9 | 01/01/39 | Term (Note 6) | 4.80% | 13,165,000 | 0 | 0 | 13,165,000 | 2 |
| Total 1998 Series 28 | | | | \$65,000,000 | \$210,000 | \$335,000 | \$64,455,000 | |

Note 1: See optional and special redemption provisions page 4-1998-28, (i.e. "1" denotes first call priority from prepayments).

Note 2: Sinking fund redemptions begin January 1, 2018.

Note 3: Sinking fund redemptions begin January 1, 2024.

Note 4: Sinking fund redemptions begin January 1, 2030.

Note 5: Sinking fund redemptions begin January 1, 2019. AMT PAC bonds were sold at a premium with a coupon rate of 5.50% and a yield of 4.92%.

Note 6: Sinking fund redemptions begin January 1, 2034.

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LIST OF UNSCHEDULED REDEMPTIONS:

| Call Date | Call Amount | Type of Call | Source Of Funds |
|-----------|------------------|--------------|-----------------|
| 7/1/2008 | <u>\$335,000</u> | Supersinker | Prepayments |
| | <u>\$335,000</u> | | |

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Bond Call Information:

Special Redemption

The 1998 Series 28 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 28, including the existing mortgage loans,
- (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 28 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 28 bonds shall first be applied to the redemption or purchase of Series 28 term bonds due July 1, 2038 during the periods up to the scheduled principal amounts set forth in the series resolution.

Moneys in excess of the debt service reserve requirement, from excess revenues in the revenue reserve fund and from cross call redemption sources shall be applied to the redemption of the Series 28 bonds in any manner. Moneys to be applied to redemption from prepayments in excess of the scheduled principal amounts 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 28 bonds are redeemable at the option of the Agency, in any manner the Agency shall determine, on or after January 1, 2017, in whole, or in part, at the principal amount thereof plus accrued interest to the date of redemption, without premium.