

**NORTH CAROLINA HOUSING FINANCE AGENCY
DISCLOSURE REPORT
AS OF SEPTEMBER 30, 2006**

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: 28,415,000
Bond Yield: 6.01%
Mortgage Loan Prin Outstanding: 23,873,002
Mortgage Rate(s): 5.75% - 7.25%
Outstanding Commitments: 0
Uncommitted Lendable Funds: 0

Average Purchase Price: 83,585
Average Original Loan Amount: 79,680
Total No. of Loans Originated: 773
Total No. of Loans Paid Off: 429
Total No. of Loans Outstanding: 344

LOAN PORTFOLIO CHARACTERISTICS (AS A % OF LOANS OUTSTANDING)

New Construction: 34.59%
Existing Home: 65.41%
Total: 100.00%

Private: 0.87%
FHA: 83.14%
VA: 5.81%
USDA: 7.85%
Guaranty Fund: 0.00%
FMHA: 2.33%
Other: 0.00%
(less than 80.00 LTV)
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%

Effective May 1, 2006

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

Type of Housing:
Single Family Detached: 91.86%
Condos/Townhouses: 7.85%
Manufactured/Duplexes: 0.29%
Total: 100.00%

Breakdown of Private Mortgage Insurers
(List by % of total portfolio):
1998-07: 0.87%
GEMICO: 0.87%
RMIC: 0.00%
UG: 0.00%
VEREX: 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

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): \$418
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): (AS % OF PRINCIPAL BALANCE OUTSTANDING):

	%	#	%	\$
60 days	2.91%	10	3.06%	729,693
90 days	2.33%	8	2.37%	566,750
In Foreclosure	0.58%	2	0.64%	151,782

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:

Servicer	# of Loans	% of Portfolio
RBC Centura	164	47.68%
Marsh	104	30.23%
BB&T	61	17.73%
Bank of America	8	2.33%
NCHFA	7	2.03%
Other	0	0.00%
TOTAL	344	100.00%

MORTGAGE LOAN RATES (BY BOND SERIES):

Series	# of Loans	Mtg Rate
1998 SERIES 07	7	5.75%
	117	6.50%
	126	6.95%
	5	7.13%
	<u>89</u>	7.25%
Total	344	

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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	0	205,000	335,000	2
65820EF88	07/01/07	Serial	5.25%	575,000	0	220,000	355,000	2
65820EF96	01/01/08	Serial	5.30%	590,000	0	235,000	355,000	2
65820EG20	07/01/08	Serial	5.30%	610,000	0	240,000	370,000	2
65820EG38	01/01/09	Serial	5.35%	625,000	0	240,000	385,000	2
65820EG46	07/01/09	Serial	5.35%	635,000	0	245,000	390,000	2
65820EG53	01/01/10	Serial	5.40%	665,000	0	260,000	405,000	2
65820EG61	07/01/10	Serial	5.40%	680,000	0	265,000	415,000	2
65820EG79	01/01/11	Serial	5.45%	700,000	0	270,000	430,000	2
65820EG87	07/01/11	Serial	5.45%	715,000	0	280,000	435,000	2
65820EG95	01/01/12	Serial	5.50%	740,000	0	290,000	450,000	2
65820EH29	07/01/12	Serial	5.50%	765,000	0	300,000	465,000	2
65820EF39	07/01/16	Term (Note 2)	6.00%	6,685,000	0	2,555,000	4,130,000	2
65820EF47	01/01/20	Term (Note 3)	6.15%	7,370,000	0	2,760,000	4,610,000	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	5,365,000	8,455,000	2
65820EF70	07/01/31	Term (Note 6)	6.25%	10,600,000	0	4,170,000	6,430,000	2
Total 1998 Series 7				\$65,000,000	\$4,040,000	\$32,545,000	\$28,415,000	

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

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	<u>\$85,000</u>	Pro rata	Debt Service Reserve
TOTAL	<u>\$32,545,000</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.